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DEUTSCHE MESSE- UND AUSSTELLUNGS-AG
HANNOVER-MESSEGELÄNDE

U.S. products head for prestige showcases overseas

JAPAN ELECTRONICS SHOW '69,'70

International Trade Winds

Company News

HYDRAULICS MARKETING—The Cascade Corp. of Portland, Ore., established Cascade Deutschland GmbH, a Dusseldorf subsidiary, to market the parent company's machinery in Germany. Cascade manufactures hydraulic cylinders and other related equipment.

SOYBEAN MARKETING—The American Soybean Institute, Hudson, Iowa, an industry-wide organization conceived to accelerate world market development for U.S. soybeans and soybean products, was voted into existence last month by 13 state soybean associations. It will receive monies, act as a trusteeship and contract for actual market development work. The Institute voted to sign its first contract with the American Soybean Association to carry out a 17-country program. The primary source of funds will be a soybean growers' self-assessment program. The National Soybean Processors Association has already pledged significant financing. Most state groups accepted the obligation of investing a minimum of a quarter-cent-per-bushel of funds collected into the market development effort.

POULTRY—Cobb International, Concord, Mass., and Ben and Co., Ltd. have formed a joint venture to export poultry from Singapore. The Singapore Poultry Co., due to begin operations this month, expects to export 1.5 million live or processed birds valued at $1.5 million during the first year of operation. At full capacity, the plant can produce 6 million birds per year.

CONSTRUCTION — The Lummus Co., Bloomfield, N.J., was awarded a $1.7 million contract by Neste Oy, Helsinki, Finland, for a 7000 BPD asphalt production unit to be installed at Neste's Porvoo plant where it will be integrated into a 140,000 BPD refinery. Lummus Nederland N.V., a Lummus European subsidiary, will handle the engineering, procurement and construction supervision for the job. The new unit is designed to produce a particular grade of asphalt that can endure Finland's severe winters. Neste Oy is Finland's only petroleum refining company and has worked with The Lummus Co., a subsidiary of Combustion Engineering Inc., New York, in projects at both of its Finnish refineries.

Newsletter

The selling power of U.S. solo trade shows in Japan was underscored again at the Food Processing, Packaging and Serving Equipment Exhibition at Osaka last month. Floor sales amounted to $338,000 and 12-month sales projections by the exhibitors total $4.3 million. Of the 5,346 visitors, 40% represented firms identified by prior market research as prime potential customers for the exhibitors. In June, a U.S. solo show of production equipment for the automotive industry was a $7 million event.

One sponsor, one customer. An unusual way to use the facilities of the Bangkok U.S. Trade Center? The sponsor was the Friden Division of the Singer Co. The customer was the Bangkok World, a daily English-language newspaper. The Friden staff showed offset printing equipment to the editors and business-production managers of the paper, which is planning replacement of its flat-bed, letterpress machinery with offset printing equipment.

A similar pattern of highly targeted use of U.S. Trade Center demonstration facilities was set earlier by Hathaway Instruments, Inc., of Denver. The place was London and the sales target was the British Central Electricity Generating Board. Thirty selected officials of the Board saw Hathaway's new transient data recorder. Results, as reported by the firm's British rep: "Our invitation list was intentionally stratified. That we reached the right target audience is reflected in our projected $100,000 sales figure."

Prutton Corp. of Cleveland, 50 years in business but less than three years an exporter of specialized threading machines, notes through vice-president Lee Schaffer: "The markets overseas are changing—catching up. They are more cost conscious as standards of living go up. We sell cost reduction with our products. We also are constantly changing our tooling to fit changing product applications abroad."

Compilations of useful data and background information that girdle the world have been published in this magazine in recent weeks. To refresh the memory of those who might have missed an issue: Trade fairs in 75 countries, June 30; Business arbitration procedures in 21 nations, July 7; Trade outlooks in 61 countries, July 14; Worldwide aspects of licensing, joint ventures, July 28; Patent laws in 125 countries, Aug. 11; Import rules of 140 nations, Aug. 18.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for detailed know-how and analysis in our regular news columns.

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the cover

Some of the best-known marks in the international trade fair field introduce this week's cover story on the spring 1970 schedule of Commerce Department-sponsored exhibitions. Details on participation in these showcases for U.S. products in seven countries will be found in the story that begins on page 2.

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Sees U.S. and German firms as making best use of export firms, which are called especially helpful to companies new to exporting

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SPRING TRADE FAIR SCHEDULE

Top showcases in '70 list

Hanover, ACHEMA, PAKEX, MESUCORA on Commerce's program; market studies on way

U.S. products will be placed in the trading spotlight next spring in some of the most prestigious showcases overseas. This is apparent from a new commercial exhibition schedule released by the Department of Commerce that is sprinkled with such names as Hanover, PAKEX, ACHEMA and MESUCORA.

The Commerce Department's Office of International Trade Promotion (OITP) will recruit American companies for a series of spring 1970 exhibitions, including three in Germany: the ACHEMA Chemical Engineering Exhibition at Frankfurt, and the Hanover Industries Fair and the Hanover Air Show; two in the U.K., the IEA Instruments, Electronics and Automation Equipment Show and PAKEX International Packaging Exhibition, both in London; the Japan Electronics Fair in Tokyo, the MESUCORA measuring and control equipment show in Paris, the Tel Aviv International Fair in Israel, and United States solo exhibitions in Tehran, Iran, Madrid, Spain, and Mexico City.

This exhibition schedule is in addition to the early 1970 events that will be staged by OITP in seven U.S. Trade Centers around the world (see box p. 3).

Meanwhile OITP's marketing specialists have been gathering data on the overseas sales prospects for the products and target areas involved in the spring exhibitions. This effort will produce more than 75 market studies—some are already completed, others are still on the way—to help U.S. companies plan their displays and organize related overseas sales drives.

THE U.S. WILL RETURN TO LONDON next May for the Instruments, Electronics and Automation Exhibition. Previous Commerce-sponsored exhibitions at this show were held in 1966 and 1968.

The detailed fair schedule is as follows: U.S. Solo Exhibition, Madrid, Spain, March 2-7; Japan Electronics Fair, Tokyo, Japan, April 10-19; U.S. Solo Exhibition, Mexico City, Mexico, April 20-25; Hanover Industries Fair, Hanover, Germany, April 25-May 5; Hanover Air Show, Hanover, Germany, April 24-May 3; U.S. Solo Exhibition, Tehran, Iran, May 16-21; IEA/Instruments, Electronics and Automation Equipment Exhibition, London, England, May 11-16; MESUCORA International Exhibition of Measurement, Testing, Control & Automation, Paris, France, May 27-June 6; International Fair, Tel Aviv, Israel, June 2-16; ACHEMA/16th Chemical Engineering Exhibition and Congress, Frankfurt, Germany, June 17-24; PAKEX/International Packaging Exhibition, London, England, June 22-26.

U.S. companies wishing more information on U.S. exhibitions at overseas trade fairs or about any Trade Center show may write: Commercial Exhibits Program, BIC-932, U.S. Dept. of Commerce, Washington, D.C. 20230.

A major Far East trade show in the spring will be the Tokyo Electronics Fair featuring testing and measuring equipment. Approximately 45 U.S. companies are expected to display electronics production equipment, components, systems and materials from Apr. 10-19.

This marks the third time a U.S. exhibition has been scheduled into this show. The second exhibition by the U.S. at this fair will be held Oct. 1-7, 1969 in Osaka.

During the first U.S. exhibition at this show, Sept. 17-23, 1968, floor sales of $453,000 were recorded and show participants projected nearly $8 million in follow-on orders. Fifty-two companies representing 86 U.S. firms participated, drawing more than 10,000 registered trade visitors. Total trade and public attendance exceeded 200,000.

Two fairs will be held simultaneously in Hanover. At the International Hanover Industries Fair in which the U.S. has participated four times, Commerce will sponsor an exhibition of computers and peripheral equipment at the new Business Equipment Hall on the fairgrounds. The show will open Apr. 25 and run through May 5. Germany is the largest computer market outside the U.S.

The first Commerce-sponsored exhibition at Hanover was in 1966; it was a heating, refrigeration and airconditioning equipment show. Off-the-floor sales totaled $475,000 with $2.5 million registered in follow-on orders. The 1967 show, featuring materials handling equipment, ended with 32 U.S. firms selling $600,000 in goods from the floor and reporting $2.5 million more in 12 months.

In May of this year, a U.S. fluid exhibition at the Hanover fair ended with 211 candidates for agency/distributorships under review by 22 companies. One firm was reporting that 78 prospects for overseas agents had contacted their officials. Sales from this year's show reached the $2 million mark for immediate orders and estimates by the 32 participants for sales over the next year hit $4.2 million.

The second Hanover event, scheduled for Apr. 24-May 3, is the Hanover Air Show in which the U.S. will sponsor a 40-firm exhibition stressing aircraft components and ground support equipment. This will be the first time the U.S. has entered the show, but 68 U.S. companies participated independently in 1968.

The London International Instruments, Electronics and Automation Exhibition (IEA) is held biennially. It will be the third consecutive U.S. appearance in this event when its doors open on May 11.

In 1968, the U.S. pavilion at IEA housed 45 exhibitors who wrote more than $1.3 million in floor sales and estimated over $7.5 million in additional sales for the coming year. More than 900 exhibitors from 19 nations were present at the show in which total sales topped $75 million. The U.S. began participating in this event in 1966, at which there was a total of $744,000 in floor sales and $6.4 million in additional sales in the next 12 months.

Commerce plans include the June 2-16 Tel Aviv industrial and commercial equipment exhibition, held every other year. This will be the fourth time the U.S. has been present; 1964 was the first year of U.S. participation. Approximately 28 firms are expected to display products related to general industrial needs.

OUT OF A LONG, LONG TRADITION comes the Hanover Industries Fair. Continuous improvements in the exhibition grounds are made, changing the scene considerably ever since this 1960 photo was made.

In June 1968, 48 U.S. manufacturers participated in a machine tool, food processing, metalworking and packaging equipment display. Sixteen companies entered the Israeli market for the first time through the show and 14 overseas representatives were appointed before its close.

A French fair on the list is MESUCORA which will be held in Paris May 27-June 6. Approximately 40 U.S. manufacturers of measuring and control devices are expected to take part in this exhibition. Advanced automated systems, industrial process flow instrumentation, nuclear instrumentation and physical properties test equipment are some of the product areas in the U.S. exhibition.

In 1967, 52 U.S. firms rolled up $604,000 in off-the-floor sales and made $6 million in additional sales in the twelve-month period following the show. Forty-two agents were signed during the exhibition which is held every three years.

ACHEMA, the 16th Chemical Engineering Exhibition and Congress, will be staged in Frankfurt, Germany, June 17-24. The U.S. exhibition will feature measuring, recording and control instrumentation for the chemical industry. ACHEMA is considered a leading showcase for equipment in the chemical industry.

The U.S. participated in the 1967 ACHEMA, amassing more than $340,000 in floor sales and adding $3.3 million in 12-month follow-on orders. During the show, 11 overseas agents were signed. A

Meanwhile, at U.S. Trade Centers...

While the Commerce Department's Office of International Trade Promotion is staging the 1970 exhibitions described in the accompanying article, it also will be directing about 30 shows at its seven U.S. Trade Centers around the world.

Among these, for January, for example: Data Transmission Facilities, London; Production Equipment for the Electronics Industry, Paris; Municipal and Industrial Security Devices, Stockholm; Vacuum and Cryogenics, Tokyo.

Other spring shows include Process Biochemistry Equipment, London; Photography in Science, Industry and Education, Milan; Industrial Assembly Equipment, Tokyo; and Printing and Bookbinding Equipment, Paris.

Detailed announcements on these exhibitions are carried in a "U.S. Overseas Promotions" section in the first issue each month of this magazine.

total of 2,817 registered visitors viewed the displays of 49 U.S. companies.

PAKEX '70, the International Packaging Exhibition which is one of the largest and most specialized of its kind in Europe, will be held in London June 22-26 and will be the first PAKEX in which the U.S. will sponsor an exhibition. It was last held in 1967, when 500 firms in 18 nations mounted displays, drawing 35,000 visitors.

The range of products covered by the fair includes cleaning, coding, closing, counting and crating equipment, plus loading, marking, sealing and filling machinery, packages and packing materials.

U.S. solo exhibitions being developed for next spring include one in Mexico City where a printing and graphic arts exhibition will be held April 20-25. In Tehran, Iran, an industrial modernization equipment exhibition will be staged May 16-21, and from March 2-7, a refrigeration/air-conditioning, food processing and packaging equipment and machinery exhibition will be held in Madrid.

In Madrid during March of 1966, 57 U.S. companies participated in the first U.S. solo exhibition staged by Commerce's Bureau of International Commerce. Over 13,000 businessmen were attracted to the 11-day refrigeration equipment show during which 20 agents were signed and floor orders totaling more than $1 million were written. Twelve-month sales following the show reached $13,412,000.

OITP market research either recently completed, now in process, or due to be undertaken in the near future, will back these and Trade Center shows. Resulting studies are being published either in the Exhibitor's Export Market Guide series or the World Markets for U.S. Exports series. Both series are part of the International Marketing Information Service (IMIS), whose titles are announced week-by-week in the New Books and Reports section of this magazine.

Among the subjects are the following: Food Processing Equipment—Australia; Food Processing and Packaging Equipment—Belgium, France, Germany, The Netherlands, Spain, Switzerland and U.K.; Farm, Forest and Food Processing Equipment—Scandinavia; Meat, Fish and Poultry Processing Equipment—Italy; Packaging Equipment—Australia, The Netherlands, and U.K.; Dairy Equipment—Italy, and Catering Equipment—U.K.

Instruments and Automation Equipment—Australia; Instrumentation—Belgium; Nuclear Instrumentation—Germany; Thermal Instrumentation—U.K.; High Frequency Instrumentation—U.K.; Electronics Instrumentation and Automation Equipment — U.K.; Control Equipment for Metallurgical Industry—U.K.; Flow Automation Equipment—Italy and U.K.; Analytical Instrumentation and Laboratory Apparatus—France.

Electronic Characteristics Measuring Equipment—Japan; Vacuum and Cryogenic Systems—Japan; Fluid Power and Fluidics Equipment—Japan; Telemetry—Germany; Microwaves—Germany; Sophisticated Materials for Electronics Industry—Germany; Chromatography and Spectroscopy Equipment—Italy; Environmental Test Equipment — Scandinavia; Process Biochemistry Equipment—U.K.; Electro-Optical Equipment—U.K.

Metal Casting Equipment—Japan; Metal Surface Treatment Equipment and Supplies — Japan; Machine Tools — France; Power Driven Hand Tools—Germany; Welding Equipment—Italy; Materials Testing Equipment—Scandinavia; Materials Testing and Quality Control Equipment—France.

Construction and Mining Equipment—Italy; Heavy Construction Equipment — Scandinavia; Mining Equipment — Scandinavia.

Heating and Airconditioning Equipment—France and Germany; Heating, Ventilating and Airconditioning Equipment—Belgium.

Industrial Assembly Equipment—France and Japan; Industrial Modernization Equipment—Iran; Industrial Training Aids—Scandinavia; Security and Protection Equipment—Japan; Modern Distribution Equipment—Italy; Materials Handling Equipment—Switzerland; Industrial Air Quality Treatment Equipment and Instrumentation—Italy.

Industrial Fasteners—U.K.; Fasteners—Germany; Building Products—Scandinavia; Building Materials—Germany.

Computers—Japan; Computer Graphics—France; Data Communications—U.K.; Automated Business Procedures—U.K.; Electronic Data Processing Equipment—Belgium, The Netherlands and Switzerland; Production Equipment for the Electronics Industry—Belgium and Switzerland; Educational Materials—France and Switzerland.

Plastics Production Equipment — France and Germany; Feed Manufacturing Equipment—Germany; Marine Equipment — U.K.; Shipbuilding and Marine Equipment — Italy; Pulp and Paper Processing Equipment—U.K.; Agricultural Equipment—Italy and The Netherlands; Automotive Diagnostic Testing and Repair Equipment—France; Laundry and Dry Cleaning Equipment—France; Pumping Equipment—France.

Electrical Power Machinery and Switchgear—U.K.; Power Components—Scandinavia; Geophysical Equipment—Germany and U.K.; Magnetics—Germany and U.K.; Advanced Medical Equipment—Italy; Air and Water Pollution Control Equipment—Scandinavia.

Microfilm and Reprography—U.K.; Printing and Graphic Arts Equipment—Mexico; Printing and Bookbinding Equipment—France; Photography for Science and Industry—Italy.

Aircraft and Ground Support Components—Germany; Aerospace Equipment—Scandinavia.

THE 1967 VERSION OF THE U.S. EXHIBITION AT MESUCORA brought $600,000 in floor sales to firms making measuring, testing and control equipment. The exhibition will be staged again in Paris in May.

United States share of world exports of manufactures

Adjusted for seasonal variation

Commodity		U.S. exports (million dollars)	U.S. share (% of world exports to foreign markets[1])
Manufactures, total			
1966	1st qtr.	4,719	23.1
	2nd	4,684	22.7
	3rd	4,765	22.5
	4th	5,039	22.8
1967	1st	5,266	23.8
	2nd	5,192	22.6
	3rd	5,172	23.4
	4th	5,281	23.5
1968	1st	5,476	22.8
	2nd	5,863	24.4
	3rd	6,388	24.2
	4th	6,154	22.6
1969	1st	5,768	20.9
Chemicals			
1966	1st qtr.	648	25.0
	2nd	662	25.0
	3rd	680	24.3
	4th	683	23.9
1967	1st	707	24.0
	2nd	698	23.5
	3rd	685	23.6
	4th	722	24.0
1968	1st	748	23.5
	2nd	810	25.1
	3rd	918	25.3
	4th	810	22.7
1969	1st	661	18.8
Nonelectric machinery			
1966	1st qtr.	1,356	30.7
	2nd	1,343	30.0
	3rd	1,339	29.1
	4th	1,456	30.0
1967	1st	1,520	30.9
	2nd	1,485	29.7
	3rd	1,475	30.3
	4th	1,491	30.1
1968	1st	1,481	28.8
	2nd	1,558	30.6
	3rd	1,688	30.3
	4th	1,603	28.0
1969	1st	1,488	26.9
Electric machinery			
1966	1st qtr.	458	25.2
	2nd	464	25.0
	3rd	480	25.1
	4th	498	25.3
1967	1st	528	25.9
	2nd	526	25.4
	3rd	526	26.1
	4th	525	25.8
1968	1st	537	24.7
	2nd	567	26.1
	3rd	600	25.3
	4th	581	24.0
1969	1st	590	24.0
Transport equipment			
1966	1st qtr.	904	29.2
	2nd	875	28.2
	3rd	891	28.8
	4th	1,044	28.8
1967	1st	1,062	30.7
	2nd	1,092	30.4
	3rd	1,150	31.9
	4th	1,220	34.2
1968	1st	1,352	33.6
	2nd	1,436	34.9
	3rd	1,501	34.7
	4th	1,579	33.8
1969	1st	1,597	32.9
Other manufactures			
1966	1st qtr.	1,353	16.0
	2nd	1,340	15.7
	3rd	1,375	15.7
	4th	1,358	15.4
1967	1st	1,449	15.9
	2nd	1,391	14.9
	3rd	1,336	15.3
	4th	1,323	14.9
1968	1st	1,358	14.3
	2nd	1,492	15.7
	3rd	1,681	16.0
	4th	1,581	14.6
1969	1st	1,432	12.9

Note: Data are revised from previous issues of this report. The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition.

[1] World exports are defined as exports from the 14 major industrial countries. These nations, which account for approximately four-fifths of world exports of manufactures to foreign markets, are as follows: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Japan. Exports to foreign markets are total exports excluding exports to the United States.

Dock strike precludes trade share analysis

Data on the U.S. share of world exports of manufactured goods are reported quarterly in INTERNATIONAL COMMERCE, accompanied by an analytical article prepared by the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce.

The table presented above shows U.S. exports by value, and the U.S. share—percent of world exports to foreign markets—for total manufactures and for five major groupings, by quarters beginning in 1966 and extending through the first quarter of 1969.

Normal flow disrupted

Because the protracted longshoremen's strike at Atlantic and Gulf Coast ports earlier this year disrupted the normal flow of U.S. exports, a meaningful review cannot be made of developments in our trade position relative to other exporters during the first quarter. Thus, the data, adjusted for seasonal variation, are being presented without an accompanying analysis.

The previous report, showing yearly totals, 1958-68, for all manufactures and for the same major groupings, appeared in the issue of June 2. Over the 11-year period, the U.S. share of world exports of manufactures shrank from 27.6% in 1958 down to 22.7 in 1965-66; since that time it has expanded gradually—to 23.1% in 1967 and to 23.3% last year.

American, German companies seen making best use of export firms

Veteran observer of world trade scene notes value of CEM's to manufacturers in both nations; traces operational changes

By EMIL A. KEKICH

Progressive manufacturers who may possess limited facilities for direct exporting but who have confidence that their products can meet foreign market demand at reasonable prices and at profit to customers as well as themselves, can avoid the costs and complexities of doing business abroad on their own simply by contracting with expert intermediaries, professional foreign trade firms, to do the job.

The two principal countries using such intermediaries with success, particularly on behalf of manufacturers inexperienced in exporting, are the United States and West Germany. The Germans call these institutions export trading companies, and in the States they are known as combination export management firms (CEM's). The export traders of Germany and the CEM's are similar in structure and operate very much along the same lines.

Before World War II, it is pointed out by Richard G. Lurie, an authority on international trade, many of the CEM's worked on a straight commission basis with the manufacturers concerned. Some CEM's still do, he states, but more today do their own financing, assume the credit risks, and in effect act in all but name (sometimes even that) as the export divisions of a group of non-competing manufacturing companies with which they hold contracts to distribute the respective products abroad.

Reason for change

The reason for the change in the policies and methods of the CEM's lies in the fact that soon after World War II foreign industrial nations, especially in Europe, rebuilt their war-damaged industries and once again began to compete with the United States in foreign trade. They resumed their tradition of offering buyers long term credits.

The American manufacturer who had used the CEM company on a commission basis found that he did not want to, or could not, meet the terms being offered by his foreign competitors. The modern CEM organization then stepped into the situation and often became the manufacturer's distributor rather than his commission agent. The arrangement between the factories and the CEM's cost the former less, since the intermediaries carry the financing and assume the burdens of selling the products around the world.

The CEM's generally service manufacturers who do not wish to establish and operate export departments for financial or other reasons and are not disposed to maintain such internal establishments. Quite often large manufacturers prefer the services of the CEM's in lieu of undertaking the onerous task of administering a separate unit in their set up devoted solely to exporting.

The CEM's, specialists that they are in the mazes of merchandising abroad, make continuous surveys of foreign market possibilities for given products. Aside from relieving the manufacturer of the pressures of doing the complicated paper work incident to the intricacies of international trade, the CEM's above all else take on the risks inevitably involved in business whether it be domestic or foreign.

It is estimated that there are somewhat more than 500 CEM companies. Each, excepting the few still working on commission, is the exclusive export department for an average of ten manufacturers. The CEM's sell only the products made by the factories in their particular group. Being franchised by the manufacturers they must be as reliable in their dealings with the foreign customers as normally would be the manufacturers themselves. According to Lurie, the gross sales of the largest CEM companies may reach a value of nearly $10 million per annum, while those of the smallest CEM's hover around $100,000 a year. The average yearly sales figure of these intermediary-distributors is estimated at about $1 million per firm. Annual sales for the entire group of CEM's is about $500 million.

Emil A. Kekich was a U.S. Foreign Service Officer from 1921 to 1961, when he retired to become Executive Director of the American Chamber of Commerce (United Kingdom) in London. He retired from the latter position last year.

His diplomatic service took him to Vladivostok, Harbin, Shanghai, Riga, Helsinki, Stockholm, Belgrade, Bucharest, Prague and Canada before he was Commercial Attache in London from 1955 to 1961.

German example

When measured against the total exports of finished and semi-manufactured goods, the CEM sales are responsible for a good share of the total annual exports from the United States. Considering that the bulk of the services of the CEM's is performed for smaller manufacturers the total is impressive, indeed an excellent commentary on the worth of the intermediaries to their respective manufacturing suppliers, and by that token to the American economy.

Noteworthy similarity exists between the objectives and practices of the German export trading firms and those of the CEM's. 'Do it yourself' by way of exports direct from the manufacturer is frequently inefficient, according to the German Export Traders' Association.

This body declares that numerous German industrial enterprises, even among the largest, collaborate with the export trading companies, especially in respect of exports overseas. The Association estimates that about 30% of German exports are handled by the export traders. These firms offer industry a marketing service by which areas abroad are penetrated through their own foreign subsidiaries, branches, local representatives in the foreign centers, and traveling salesmen.

These traders learn to know the language and mentality of the prospective and actual customers in the foreign locale, their consumer habits, business practices, legal system, tax laws currently in force, etc. They observe the political and economic trends pertinent to doing business in the foreign market places, the currency and exchange situations, and the offers of their international competitors. The export traders supply a great assortment of goods to the markets abroad and on occasion even entire industrial plants. They maintain readily available stocks, and can, if necessary, take care of assemblies, repairs, and the supply of parts.

The German export intermediaries pay their manufacturers for products as ordered, and on their own responsibility extend credits to their customers as needed. The co-operative relationship between the German manufacturers concerned and their export trading intermediaries is unique to say the least. The two entities mutually assist each other in terms of trade promotion and in cultivation of the goodwill of customers.

Curiously enough, despite the success of America's CEM's and Germany's export traders there has arisen a reluctance by certain businessmen in the sophisticated markets of Europe, including the United Kingdom, to traffic with responsible export intermediaries. This antipathy appears to spring from the theory, among others, that prices are higher when purchased from or through the intermediaries than when bought directly from the manufacturer. An obvious answer to that presumption would be that an importer who claims to be overcharged by either a manufacturer or intermediary and allows himself to make the purchase without knowing the going prices, terms and costs beforehand, may not be a very good businessman.

Again in many cases the prospective importer cannot possibly bypass the intermediary because the latter, being under contract with the manufacturer, must furnish the buyer with factory invoices. The purchaser is quoted the manufacturer's regular export prices, whereas lower prices are unobtainable from the prime supplier for the simple reason that the intermediary is the export distributor of the manufacturer. Foreign trade is 100% of the intermediary's business, while exports may be only 5 or 10% of a manufacturer's turnover. The intermediary, then, cannot be higher priced, cannot fail to be competitive in price, quality and service. If his prospective customers do not buy, he has nowhere to go.

A survey by the U.S. Department of Commerce among a large section of American export intermediaries indicate that they often have to act in their own name and buy wherever it is most advantageous in order to compete with others in world markets, including manufacturing exporters. The intermediary exporters in their nature comb every possible source to obtain the best value for the benefit of the foreign buyer. Otherwise they would eventually find themselves out of favor.

The Commerce Department survey emphasized that the CEM's derive their profits solely from overseas sales. Therefore they have the obligation to be doubly sure that their transactions are competitive. Should they lose a sale due to neglect or to a non-competitive position, they have no recourse, no domestic market to turn to, to compensate for the loss. Their greatest concern is to remain in business by being competitive both against foreign enterprise as well as the American manufacturers maintaining their own export departments. The selection by a manufacturer of the proper export intermediary reduces the cost by spreading the overhead expenses over a number of non-competing manufacturers.

In my experience as an American trade envoy in a dozen of the world's commercial centers I encountered the argument that intermediaries are hardly worthy of their hire, deal in one-shot sales for a fast dollar, etc. I know personally of American CEM's who have over the years made modest fortunes in placing manufacturers' products abroad. One of them in the survey alluded to above reported that his company has been in business the past forty years with most of the same manufacturers. The company accented the fact that its responsibility and activities are in essence similar to those of the export or international division of a manufacturer.

In the last analysis the reputation of the independent export company rests on its ability first of all to explore foreign markets and become fully conversant with their ins and outs; to know how to finance manufacturers' export sales and arrange the credits frequently demanded by foreign buyers; to accord foreign firms, distributors, dealers or ultimate consumers better treatment by reason of its knowledge and flexibility than can be expected from the average manufacturer of limited background in marketing abroad; and to handle sufficient numbers of lines of goods so that volume permits the cheapest possible costs of operation and prices to the customers.

So far as the promotion of American exports is concerned the U.S. Commerce Department believes that many benefits to the national economy accrue from utilization of the intermediary exporter. If it is correct that American companies are entering export markets at a rate approaching several hundred per year, and almost all of these new exporters are in the 'small' category, it is a fair assumption that the majority of them enter the overseas markets through the CEM's. The Department therefore advocates continuing and increasing its educational program at home and abroad on behalf of the CEM's.

It would seem to me, as an old pro in foreign trade promotion, that the attitude of the Commerce Department toward the CEM's is one of wisdom. Most quarters of the globe today witness rising consumer expectations for all manner of goods. One might thus anticipate that the magnitude of international commerce could be appreciably enhanced provided producers or prime suppliers having export potential embraced the intermediary concerns designed to aid them in winning a share in the markets of the world.

Nine CEM associations in U.S.

Since 1963, nine associations of combination export managers have been formed in the United States.

Speaking of the cooperation between these associations and the U.S. Department of Commerce, E. E. Schnellbacher, Assistant Director of the Bureau of International Commerce, has declared that association membership rolls provide select lists of firms of professional status that can be furnished to manufacturers seeking to enter export, and they also provide the Department of Commerce with channels to reach exporters in matters relating to promotion of U.S. international trade.

The list of associations:

Overseas Sales & Marketing Association of America, Inc., One East Wacker Dr., Suite 300, United of America Bldg., Chicago, Illinois 60601.

National Association of Export Management Companies (NEXCO), Inc., 99 Church Street, New York, N.Y. 10007.

Florida World Trade Association, P.O. Box 171, Miami International Airport, Miami, Fla. 33148.

Export Managers Association, c/o Pan Commercial International, Inc., 108 Grove Street, Worcester, Mass. 01605.

Council of Ohio Combination Export Managers, 690 Union Commerce Bldg., Cleveland, Ohio 44115.

Michigan Association of Export Management Companies, 1616 Ford Bldg., Griswold St., Detroit, Mich. 48226.

Export Managers Association of Southern California, 612 South Flower St., Suite 742, Los Angeles, Calif. 90017.

Combination Export Managers Association of Connecticut, 222 Rimmon Rd., North Haven, Conn. 06473.

Southwest Association of Exporters, Inc., Box 2514, Dallas, Tex. 75222.

Minneapolis Chamber of Commerce trade mission to Eastern Europe finds opportunities, questions

City's second such mission sees repeat visits beneficial; group cites potential markets, but also continuing 'ifs'

By ORIN T. HANSON
Director, Greater Minneapolis Chamber of Commerce Trade Mission

The Greater Minneapolis Chamber of Commerce in May conducted its second industry-organized, Government approved (IOGA) trade mission to several countries of Eastern and Central Europe. The group traveled for two weeks in the USSR, Yugoslavia and Hungary.

A previous trade mission in May of 1967 included Poland, Bulgaria and Romania, in addition to the USSR and Yugoslavia.

Both were working missions made up of top corporate executives interested in exploring the market for their products.

While a big market exists in Eastern and Central Europe, U.S. firms are participating only to a limited extent. When and if some of our mutual problems are resolved, the climate for increased business will improve.

Repeat visits beneficial

Our reception in the USSR was far better in 1969 than in 1967. This observation may indicate a facet of doing business with the Soviets: a repeat visit is beneficial. Gaining their confidence is as important as such a step is here at home.

Communist countries should not be considered one market. Economic reform to varying degrees has been or is taking place and therefore each of these countries is a separate and distinct market.

From a business standpoint, Yugoslavia should not be considered as part of this communist area because its manner of conducting business relationships almost approximates that of the West. Yugoslavia has no state trading companies and substantial competition exists among enterprises for distribution rights to U.S. and other foreign products. The Yugoslavs also have a rather liberal foreign investment act.

Hungary has gone farther than any other East or Central European country, other than Yugoslavia, in its economic reform. The Hungarians are vitally interested in joint production or joint venture types of enterprise, are rapidly reorganizing their industry, and are encouraging mergers and forcing greater efficiency on the state-owned productive organizations.

Citing an example pointed out to members of the Chamber mission, the Hungarians stated that presently only one state enterprise in the country is making passenger and freight elevators. It has not changed its models since World War II and has shown no indication of doing so.

The Hungarian solution was to encourage another enterprise to go into joint production with a U.S. elevator firm to produce a competing product vastly superior. The Government chose not to order the original company to change

NEAR BELGRADE, Minneapolis Chamber mission members Robert Diercks (foreground) and Gerald Moore take a close look at a wheat field on a 100,000-acre farm. At the Yugoslav 36th International Agricultural Fair in Novi Sad last May, U.S. exhibitors reported over $1 million in immediate sales, estimated $8.4 million in future orders, appointed four agents; 25 nations participated—first time for U.S.

Mission membership

With Orin Hanson as director of the Minneapolis Chamber of Commerce mission, Chamber President Lawrence Haeg served as mission chairman and Ernest G. Booth, retiring director of the Commerce Department Field Office in Minneapolis, as coordinator. Other members were:

Robert G. Bartizal, Control Data Corp.; Robert Diercks, Cargill, Inc.; John S. Donnelly, Gray Co.; James Johnson, Northwest International Bank; Eugene Larson, E. J. Longyear Co.; Gordon A. Mikkelson, WCCO Radio; Gerald L. Moore, secretary, Greater Minneapolis Chamber of Commerce; Milan Sladek, Tradax, S.A.; and Russell L. Voorhees, Pawnee Corp., Pipestone, Minn.

its policies on modernization of equipment.

The cited example suggests that there is a growing realization of the necessity for imports as a competitive tool in the internal economy of the country.

Opportunities, problems

Members of the mission verified the fact that many opportunities exist for sales of U.S. products. Many problems must be solved, however, before U.S. companies will achieve any sizable increase in sales.

The Hungarians estimated the present level of trade with the United States—$9 to $11 million—could expand to $30 or $40 million in the near future. The probability exists that our present sales to the Soviet Union may double in the next five years.

In terms of all U.S. export sales, these figures show that the market is limited; however, a market involving 350 million people is simply too large to ignore.

Another probability for commercial cooperation with Eastern European countries is in licensing. These countries are becoming aware of their need for more U.S. technology to improve their own competitive positions.

In Budapest, the mission was told by a top official of the National Planning Office that Hungary has great need for licensing of technology in the pulp and paperboard fields and in petrochemicals. The official assured mission members that licensing to the mutual advantage of U.S. companies and Hungarian enterprises could be worked out with adequate compensation and controls.

On other occasions while discussing licensing, the mission was made aware of the change that seems to be taking place in Eastern Europe whereby per unit royalties as well as satisfactory third-country marketing controls are no longer ruled out.

A criticism received throughout our trip was the lack of adequate follow-up by U.S. companies. In the eyes of the Soviets in particular, Americans tend to make many business promises which are not kept. If the potential for sales appears to justify a continuing interest in the market, technical people should be scheduled for a subsequent trip as soon as practical after the initial visit.

After a firm has made a commitment to go into the Soviet market, participation in a trade fair or private showing or "salon" should be arranged. This is one of the most successful ways to reach the end user in the Soviet Union. It can be done by other methods, but considering overall cost and time, one of these two vehicles is probably more efficient and economical. Advertising is still rather rudimentary but certain products can be advertised in trade journals aimed at specific segments of the market.

The most recent Chamber mission made no sales, nor were any expected (the first mission, mentioned earlier, reported sales totaling $185,000, and the establishment of an arrangement for continuing representation.

Mission members went to learn and to evaulate the market in each country visited. They agree that certain problems must be solved before any continuing sales gains can be accomplished.

Barter trading

With the critical shortage of convertible currencies that exists in these countries, it is logical for their governments and for their enterprises to look for a means of purchasing Western products without having to pay for them in dollars or marks or pounds or francs. This situation suggests that numerous possibilities for barter or third party deals, joint ventures, or joint production exist in all Central and Eastern European nations. American products enjoy a fine reputation in Eastern Europe and most officials of state trading companies and plant managers give the edge to the United States when it comes to advanced technology.

Presently, the best opportunities exist for large U.S. multinational firms with prod-

IN MOSCOW, mission members Orin Hanson and James Johnson viewed Soviet-built TU-144 on display.

the author

Orin T. Hanson, who directed the recent trade mission about which he is reporting in the accompanying article, also led the first Minneapolis Chamber mission in May 1967. He is now, as then, manager of the World Trade Department of the Greater Minneapolis Chamber of Commerce. His full report, "Closing the East-West Trade Gap," from which the accompanying article is excerpted, is being presented by the Chamber in the September issue of its publication, Greater Minneapolis. *Copies are available from the Greater Minneapolis Chamber of Commerce, 701 Second Avenue South, Minneapolis, Minn. 55402.*

Director Hanson attended the University of Minnesota. A part owner of a farm in western Minnesota, he earlier spent nine years with the U.S. Department of Agriculture. He is a member of the Upper Midwest Regional Export Expansion Council and the American Chamber of Commerce Executives. In 1968, he was named World Trader of the Year for the State of Minnesota.

East Europe seminar

"How To Do Business in Eastern Europe" will be examined at a seminar to be held at the University of Michigan Sept. 11 and 12.

Arranged by the Graduate School of Business Administration's Institute for International Commerce, the seminar is designed to provide basic background information on several East European countries. Primary emphasis is on participation, open discussions, and question and answer sessions.

For additional details or registration, **write:** W. A. Earl, Institute for International Commerce, Graduate School of Business Administration, University of Michigan, Ann Arbor, Mich. 48104.

ucts of advanced technology that produce in Western Europe or are willing to join West European or Japanese consortiums. Government financing and permission to export are available for many products manufactured by U.S. companies in West European countries. Given the Soviets' preference for turn-key projects, it is also logical for U.S. equipment suppliers to work closely with European or Japanese manufacturers so U.S. products can be included in bids for new factories.

Some deterrents to increased U.S.-Soviet trade are beyond our ability to change. The average Soviet product is not of a style or quality that will sell well in the U.S. market. While the Soviets are marketing some consumer products (such as watches in the U.K.), their exports to the United States traditionally have been limited to raw materials—for example, platinum, palladium, sponge titanium. This does not mean that the Soviets cannot produce a type of product for the U.S. market, but that they are some years away from doing it.

As the Soviets seem tied tightly to bilateral trade pacts, it is unlikely that the next few years will see any major increase in U.S. trade. The Soviets could, if they wished, and within responsible limits, run a sizable trade deficit with the United States by using convertible currency earned in other markets. The amount used for this purpose necessarily would be limited by practical considerations of the bilateral agreements with other Western trading partners. But it could be a significant item.

In summary, markets and problems both exist in expanding our trade with the USSR, Eastern and Central Europe. Whether or not U.S. business holds its own in this area depends both on the aggressiveness of our businessmen and on objective conditions. We would encourage our people to go there, look for themselves, and make their own decisions. Our Chamber has made that decision. We are committed to a policy of expanded commercial relationships between our businesses and theirs and we hope many others will join us.

Specialized service industries mission scheduled for Japan

Firms interested in licensing, joint ventures, franchising invited

The Commerce Department is scheduling a specialized service industries trade mission to Japan in November 1969.

Executives of business firms dealing in joint ventures, licensing and franchising are invited to apply before Sept. 5.

Under the specialized vertical missions program, which combines the features of the industry-organized Government-approved and the official Commerce missions, the members will be doing business for their own firms; the businessmen will pay their own travel expenses; and mission operating costs will be paid by the Government.

To supply leader

The Commerce Department will supply an official to perform the advance work and lead the mission as its director.

U.S. Foreign Service Posts in Japan report that service industries such as vending machines, cleaning and sanitation services, automotive products and services, equipment rentals, motels, recreation, to name a few, offer good potential for U.S. sales.

Japan traditionally has been a country of small shop keepers; however, under the impact of greater urbanization and the shortage of labor, many changes are rapidly taking place in all sectors. For instance, the passenger automobile population in 1965 was 2¼ million cars; it reached 5¼ million in 1968. This means that highway travel will expand significantly and that the demand for motels, fast service restaurants, laundromats, etc., will steadily increase.

The amount of catering equipment purchased presently is rising by about 30% a year. At last month's U.S. exhibition in Osaka—featuring food processing and catering equipment — immediate sales reached $338,117, the 12-month forecast is reported at almost $4.3 million, one agency arrangement has been signed and others are being discussed (see p. 14). An estimated 50 million visitors are expected to attend Expo '70, opening in Osaka next March.

Companies wishing to participate in this Government-sponsored mission are invited to **write:** Trade Missions Division, BIC-926, U.S. Department of Commerce, Washington, D.C. 20230.

Others going soon

Four specialized missions for the fall have already been scheduled. The focus of each, and itinerary within the country to be visited, is as follows:

► Pumps, compressors, and valves to Italy: Milan, Oct. 11-16; Turin, Oct. 16-19; Bologna, Oct. 19-21; Rome, Oct. 21-25.

► Industrial and scientific instrumentation to Brazil: Rio de Janeiro, Oct. 21-24; Sao Paulo, Oct. 27-31.

► Electronic data processing to the United Kingdom: Oct. 27-31; Birmingham, Nov. 3-5; Manchester, Nov. 6-7.

► Hotel and other tourism equipment to Yugoslavia: Zagreb, Ljubljana, Split, Opatija, and Rijeka, Nov. 1-15.

New committee members named to advise Eximbank

Four new members have been added to the advisory committee of the Export-Import Bank of the United States. They are: Allan Shivers, chairman of the board of Austin National Bank, and former Texas Governor; Stephen Davison Bechtel, senior director, Bechtel Corp., San Francisco; Walker Lee Cisler, chairman of the board and chief executive officer, Detroit Edison Co.; and Kenneth P. Kinney, vice president-international department, Northern Trust Co., Chicago.

The nine-member Eximbank committee, representative of the production, commerce, finance, agriculture and labor fields, meets several times a year to advise the Bank on policy matters. Eximbank's present advisory commmittee also includes: J. Victor Herd, chairman of the boards of the Continental Insurance Cos.; Gesualdo A. Constanzo, executive vice president, First National City Bank, New York; Dr. James E. McCain, president, Kansas State University; Howard C. Petersen, chairman of the Board, Fidelity Bank, Philadelphia; and Nat Goldfinger, director, department of research, AFL-CIO, Washington, D.C.

U.S. liquidity deficit grew

However, official reserve balance stayed in surplus during second quarter

The U.S. balance of payments dipped deeply into the red during the second quarter of 1969.

Based on preliminary data, the seasonally-adjusted U.S. balance of payments on the liquidity basis was in deficit by $3,792 million in that quarter. This was a $2,093 million deterioration from the already large $1,699 million deficit in the first quarter.

The balance on the official reserve transactions basis, on the other hand, continued in surplus in the second quarter. It was favorable by $1,249 million, seasonally adjusted, a slight improvement from the $1,150 million surplus in the first quarter.

Both balances reflect changes in U.S. official reserve assets. The liquidity balance takes into consideration the changes in liquid liabilities to all foreigners, while the official reserve transactions balance includes both liquid and certain nonliquid liabilities, but only to foreign governments and central banks.

The Commerce Department's Office of Business Economics says that both balances continue to be affected by special circumstances that tend to distort them and thus reduce their usefulness for assessing current balance of payments developments.

Small trade improvement

Second quarter merchandise trade on the balance of payments basis (which excludes Department of Defense exports and imports and requires several other adjustments in the trade data reported by Census) was in deficit by $29 million, seasonally adjusted. Although exports and imports both rose more than $2 billion above the strike-depressed levels of the first quarter, the trade balance improved only $74 million from the $103 million deficit in the first quarter.

This was the third successive quarterly deficit since the moderate surplus in the third quarter of 1968, but the figures for all four quarters have been distorted by the impact (or anticipation) of the dockworkers' strike.

Exports in the second quarter were $9,590 million, seasonally adjusted. That total probably included roughly $500 million of the estimated $1.3 billion of exports that were lost or delayed because of the strike in previous quarters. Imports were $9,619 million, and perhaps included some $700 million make-up of an estimated $1.1 billion shortfall in the first quarter. Presumably, the trade balance would have been in modest surplus except for the make-up of strike delayed goods.

The major transactions for which data are available in the second quarter indicate a large decline in foreign purchases of U.S. securities, a substantial shift from an inflow to a relatively large outflow of U.S. capital reported by banks, and a substantial reversal of special financial transactions by U.S. and foreign official agencies. In addition U.S. purchases of foreign securities showed a small increase.

These shifts were offset only to a minor extent by an improvement in the balance on nonmilitary merchandise trade and a small increase in cash receipts associated with military sales.

The adverse balance on transactions for which data are not yet available—including corporate capital transactions, services, most of the Government transactions and "errors and omissions"—continued exceptionally high, but the outflow was only slightly more than in the previous quarter.

The small improvement in the official reserves transactions balance partly reflected the fact that almost all the shift in special financial transactions had no effect on this balance. Most importantly, the adverse shift in the other accounts was more than offset by an accelerated buildup of foreign private liquid dollar holdings, which are considered an inflow into the United States for this balance.

A large part of the reduction in foreign purchases of U.S. securities was apparently associated with the weakness in U.S. stock prices and the increased attractiveness of Euro-dollar investments. Thus, the long-term capital accounts suffered from the initial effects of the more restrictive policies adopted by U.S. authorities earlier in the year, but the current account has not yet benefited substantially from the improvement in the trade balance that presumably will come with a slowdown in the U.S. economy.

The large adverse balance on transactions for which data are not available suggests that in the second quarter, as well as in the first, roundabout flows of U.S. funds —into the Euro-dollar market and back to U.S. banks through their foreign branches —continued to be large.

Such roundabout flows of U.S. funds reflect the fact that U.S. investors could get higher interest rates on Euro-dollar deposits than in the U.S. money market. As domestic credit conditions tightened, U.S. banks intensified their competition for funds by bidding up Euro-dollar rates to record levels through their foreign branches since they were prevented by Federal Reserve regulations from raising interest paid on domestic deposits.

These roundabout flows do not significantly weaken the basic external monetary position of the United States nor do they affect the size of the official reserve transactions balance. However, such flows increase liquid liabilities to private foreigners and thus enlarge the liquidity deficit. Even if such circular flows of capital are discounted, however, it appears that the second quarter liquidity deficit was high by historical standards.

German impact

Early in the quarter, both balances were affected by large capital flows to Germany from the United States as well as from other countries in anticipation of a revaluation of the mark. This resulted in a large increase in German official dollar holdings. After the official announcement on May 9 that the mark would not be revalued, a large part of the inflow into Germany was reversed. While the U.S. official balance benefited from the outflow from Germany, a good part of the funds was attracted to the Euro-dollar branches of U.S. banks, with no corresponding improvement in the liquidity balance.

U.S. official reserve assets increased $299 million in the second quarter, a favorable factor in calculating both the liquidity balance and the official reserve transactions balance. This increase in reserves was somewhat larger than the $48 million increase in the first quarter, although below the $1,076 million rise in the fourth quarter of 1968.

The $299 million rise in reserves in the

second quarter consisted of:

(1) a $228 million improvement in our gold tranche position at the International Monetary Fund (essentially, our automatic drawing rights) as foreign countries drew dollars, continuing the favorable trend for the United States in this account since early 1967;

(2) an increase of $317 million in official gold holdings, the largest rise in the 1960's;

(3) partially offsetting these factors, a decline of $246 million in U.S. official holdings of convertible foreign currencies, reflecting net repayments of previous drawings by foreigners on mutual swap facilities with the United States. Such drawings were the major factor in the increase of foreign currency holdings in the three preceding quarters.

Liquid liabilities to all foreigners increased $4,033 million in the second quarter. This increase, less the $299 million rise in reserve assets, equaled the $3,734 million liquidity deficit. The major component was an increase in liquid liabilities to foreign commercial banks of $4,641 million. About all of this increase was to foreign branches of U.S. banks, which are considered private foreigners for balance of payments purposes.

Liquid liabilities to foreign official agencies, on the other hand, declined $556 million on balance. Liquid liabilities to international and regional organizations rose $95 million and those to other foreigners declined $147 million.

The official reserve transactions surplus of $1,214 million in the second quarter consisted of the above-mentioned $556 million reduction in liquid liabilities to official foreigners, a $359 million decline in certain nonliquid liabilities to official foreigners, and the $299 million increase in U.S. reserve assets.

Details of major transactions

Nearly $600 million of the adverse shift in the second quarter liquidity balance reflected the reversal of special financial transactions previously undertaken by official agencies of the United States and foreign countries. Earlier, most of these transactions had the effect of switching U.S. liabilities from liquid to nonliquid categories, thus benefiting the U.S. liquidity balance. The reversal of such transactions increases the liquidity deficit, but the changes are more statistical than substantive. The official reserve transactions balance was not affected by these transactions for the most part since increases in foreign official dollar holdings adversely affect this balance whether they are liquid or nonliquid.

The major adverse special financial transactions during the second quarter were redemptions of some $295 million of nonmarketable, medium-term U.S. Government securities (mostly by Canada), a $190 million reduction in time deposits with an original maturity of one year or more by official foreigners and international and regional organizations, and sales of $37 million of U.S. agency bonds by international and regional organizations. There were also $25 million of favorable special transactions.

Purchases of U.S. securities (other than Treasury issues) by foreign residents dropped abruptly to $310 million in the second quarter from $1,372 million in the first quarter, an adverse shift of $1,062 million. New bond issues by U.S. corporations in foreign markets fell from $400 million to $126 million. A good part of this $274 million decline reflected a decrease, from $150 million to zero, in new issues by U.S. subsidiaries incorporated in the Netherlands Antilles (counting only the proceeds of such issues that were repatriated to the United States).

Presumably, the attraction of these offshore issues, most of which are convertible into stock, to foreign lenders declined with the weakness in the U.S. stock market, at the same time that the high interest rates for deposits in the Euro-dollar market provided a more attractive investment opportunity.

Shift in capital flows

The second quarter increase, seasonally adjusted, in bank-reported claims on foreigners was $482 million following the $78 million reduction in the preceding quarter, a deterioration of $560 million on these accounts. However, about three-quarters of this shift was due to a sharp rise in acceptances and collections, some of which was probably associated with the $2.1 billion surge in exports from their strike-depressed levels in the first quarter of the year.

Some of the bank lending in the second quarter reflected borrowing by foreigners to repay Euro-dollar loans previously obtained abroad, as competition among U.S. banks for Euro-dollar funds made the costs of renewing these loans in the Euro-dollar market higher than in the United States.

Complete balance of payments data for the second quarter and further analysis will be published in the September *Survey of Current Business*, the monthly publication of the Office of Business Economics. The *Survey* is available from Field Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of $9, including weekly supplements; single copy, $1.

USTS will seek worldwide business meetings for U.S.

Commerce travel promotion agency to use Paris base

A program to ease the United States' travel deficit by attracting international conventions and increased business travel to this country was announced last week by C. Langhorne Washburn, Director of the United States Travel Service (USTS), U.S. Department of Commerce, at the annual meeting of the International Association of Convention Bureaus (IACB).

USTS will establish an office in Paris to compete for the estimated $750 million business generated annually by international conventions. It is one part of a program designed to reduce the deficit between what U.S. tourists spend abroad and what foreign visitors spend here. That deficit last year nearly reached $2 billion.

Named to head the new office was Richard H. Henry, former USTS regional director in Paris, and a veteran of 25 years in the travel industry. He will carry the title of International Director of Convention and Business Travel Development in the USTS.

Henry's immediate goal is to work with local convention authorities to more than double this country's share of the international convention market.

"At present the United States receives only about $40 million annually from this source," Washburn told IACB delegates. "We hope to raise that beyond $100 million."

USTS officials estimate that the average international congress delegate spends about $825 during his stay in the U.S. The typical tourist from abroad spends about half that amount.

Although business visits by foreign executives have been promoted by USTS since 1966, the new appointment marks the agency's first fulltime venture into convention business development.

Henry will work closely with convention bureau managers in developing congress business for U.S. cities, Washburn said. "We will try to arrange joint familiarization tours of U.S. congress facilities for international association executives," he added. "USTS will arrange with the Civil Aeronautics Board and carriers for the air transportation. We hope you will assume the host role."

Metallurgical equipment, goods exhibition will be staged at London Trade Center

Upgrading of steel, aluminum industries underway by U.K. government; special metals, physical test devices will be featured at Trade Center

A major effort underway by the British Government to upgrade steel and aluminum industries offers excellent sales opportunities to U.S. makers of metallurgical equipment and materials.

To help U.S. firms capitalize on this promising British market, the U.S. Department of Commerce is sponsoring Metallurgy '70, the first Commerce exhibition confined strictly to metallurgical equipment and materials, at the U.S. Trade Center in London, Dec. 8-12.

Staged by the Department's Bureau of International Commerce, the show will feature four product categories—automation instrumentation and controls; physical test equipment; specialty metals and alloys; and powder metallurgy materials and equipment.

Britain is one the largest foreign customer for U.S. products, and projections call for a 5% increase in British imports from the U.S. this year. British manufacturers generally consider the U.S. a good source of technically advanced machinery required for industrial modernization.

The Government-owned British Steel Corp., which accounts for 90% of the country's steel output, is beginning to switch from a batch process to a flow process involving a number of new techniques. As this transition gains momentum, demands for new types of equipment will increase.

The aluminum industry, which is privately owned, plans to increase production to meet more than 50% of domestic needs for primary metal by 1974 as compared to 10% at present. British Government loans will help finance this expansion, which will entail heavy investments in new equipment.

Commerce market research indicates that the following products are among those having excellent sales prospects:

► Automation instrumentation and controls—process control computers and software; electronic length control equipment; ultrasonic test and control equipment, especially for process control inspection; edge and elongation control systems; advanced technological products to improve gas analysis for quality and speed control; remote control pyrometers and automatic thermocouples; equipment for measuring moisture content for coke use in blast furnaces; bar length measuring systems; and infrared detector controls.

► Physical test equipment—equipment to detect and control flatness in thin sheets; equipment for magnetic detection of surface imperfections in steel; equipment for continuous mechanical analysis of materials for making sinter; equipment for non-contact ultrasonic analysis; fluoroscopic X-ray inspection systems; ultrasonic flaw thickness testers; and magnetic particle test equipment.

► Specialty metals and alloys—titanium; zirconium, molybdenum and alloys; aluminum and alloys; magnesium and alloys; and tungsten and alloys.

►Powder metallurgy materials and equipment—automatic metal powder presses; iron powder; copper powder; nickel alloy powder; aluminum alloy powder; tantalum powder; and molybdenum powder.

Metallurgy '70 will be preceded by a market-development campaign designed to assure a maximum turnout of British buyers, agents, licensees and representatives.

U.S. manufacturers of metallurgical equipment and materials who are interested in the December Trade Center show at London may obtain an exhibitors' export market guide, IMIS 69-61, prepared for Metallurgy '70 and further information from the U.S. Department of Commerce (BIC-942), Washington, D.C. 20230, Area Code 202, 967-3838, or from any of the Commerce Department Field Offices.

German boat show invites U.S. firms to participate

The 10th International German Boat Show will be held in Hamburg Jan. 23-Feb. 1, 1970.

Held in January of this year, the ninth show saw the U.S. third in total exhibitors as 16 nations were represented by 442 companies. Boats including inboard and sail, motors, accessories and outdoor clothing were on display and will be featured at next year's boat show.

U.S. manufactured equipment with safety features, guarantees or in the outboard motor field will have a high sales potential according to results from the previous show in which equipment in the $2,500-$5,000 range made the best showing.

U.S. firms interested in participating in the 11th International German Boat show, for which half the space is already purchased, may **write:** Platen un Blomen Ausstellungspark der Freien und Hansestadt Hamburg, GmbH & Co., Am Dammtor, 2 Hamburg 36.

Sales record set at Bangkok show on data processing

The highest sales predictions for any show at the Bangkok U.S. Trade Center were made during a recent Data Processing Exhibition and Seminar. Twenty-two U.S. firms expect $3.9 million in additional sales for the next 12 months.

Attendance for all the seminar sessions reached 3,400. The number of trade visitors was 722, of whom 180 were from outside Thailand. Floor sales for the June 23-27 event topped $180,000.

Sales leader of the show was Control Data Corp. of Minneapolis, which is estimating $2 million in new business based on exhibition contacts. Primarily seeking exposure to new business, the firm exhibited a La Belle projector and OCR typewriter.

Sales estimates of $100,000 or more in the coming year were made by these companies: California Computer Products Inc., Anaheim, exhibiting magnetic tape systems; International Data Applications, Montgomeryville, Pa., entering the Southeast Asian market for the first time; and Optimum Systems Inc., Palo Alto, Calif., displaying data processing services.

Six companies began the exhibition seeking Asian representatives; one was signed during the show and 13 others were in the negotiating stages at its close.

Of the 22 participants, two were making an entrance into exporting through this show, while 10 others were exhibiting in the Thai market area for the first time.

COLORFUL STACK-UP TRAYS which fit into commercial dishwashers were displayed by Rayburn Products Inc., above, at the Osaka catering and food processing show. Rayburn was one of 41 companies represented through 32 exhibitors which attracted approximately 5,000 trade visitors to the exhibition.

TRADE VISITORS on a main aisle of the exhibition, above, inspect various products displayed by several fair participants. Packaging equipment by Woodman Co., below, attracts attention from show visitors.

Containers, barbecue items net high sales at Osaka food show

Liquid containers and barbecue items brought substantial sales to participants at the U.S. solo exhibition of catering and food processing equipment in Osaka, Japan.

Representing 41 companies, 32 U.S. firms displaying goods from ice cube makers to multiblade cake slabbers made $338,117 in immediate sales and are projecting $4.3 million in follow-on orders for the next year. Approximately 5,000 visitors registered for the exhibition.

Seven exhibitors were seeking overseas representation at the start of the show. Henny Penny Corp., Eaton, O., received 15 offers and signed an agreement dividing the Japanese market for their barbecue equipment among three firms. The other six companies were engaged in agent negotiations at the show's close.

Polygal Co., division of Inland Container Corp., Indianapolis, Ind., was the most successful exhibitor in sales terms with next year's orders of its liquid containers forecast at $600,000. Floor orders for Polygal reached $60,000.

Reporting $400,000 each in anticipated sales for the next year were W. R. Grace & Co., New York, which displayed meat wrapping machines, and Amana Refrigeration, Inc., Amana, Iowa, exhibiting microwave ovens.

Indicating satisfying sales from barbecue equipment are Barbecue King, Inc., Greenville, S.C., estimating $200,000 in 12-month sales; Frymaster Corp., Shreveport, La., which was negotiating with four prospective agents at the show's end, and reporting $150,000 in 12-month sales; Henny Penny, anticipating $75,000 in additional barbecue equipment orders and selling $10,000 in equipment on the floor; and U.S. Range, Inc., San Francisco, displaying Charglo broilers, estimating $25,000 in added 12-month sales.

Exhibiting candy forming machines, Joy Manufacturing Co., Greer Division, Wilmington, Mass., anticipates $200,000 in added sales for the coming 12 months and is reviewing a candidate for overseas representation. Uniflow Manufacturing Co., Erie, Pa., makers of ice cube machines and refrigeration equipment, predicts $250,000 in sales. Everedy Machine Co., Inc., Philadelphia, reports an estimated $150,000 in orders for the next year. Multiblade cake slabbers were among the products Everedy displayed.

London Trade Center will host fifth show of data processing equipment in four years

Data transmission facilities will be displayed; growing computer inventory, use of terminal-oriented systems spur need for more imports

The U.S. Department of Commerce will stage a Data Transmission Facilities exhibition at the U.S. Trade Center in London Jan. 12-16 to aid U.S. manufacturers in increasing their share of a large and fast growing foreign market for this equipment—the United Kingdom. This will be the fifth show of related data processing equipment since December 1966.

Britain's high demand for data transmission facilities derives from its multiplying computer inventory and the growing use of terminal-oriented systems and time-sharing bureaus. The country now has 3,000 installed digital computers and expects to double this number by the end of next year.

Consumption of transmission facilities and terminal equipment is jumping accordingly. Deliveries in 1968 were worth approximately $12.5 million. The total will climb to more than $15 million this year and is expected to approach $20 million in 1970. Half of the 1970 figure will be imports with the major share from the United States.

Best sales potential

Market research by the Commerce Department's Bureau of International Commerce has identified the following equipment as having the best sales potential in the United Kingdom: teletype and teleprinter terminals (especially high-speed types); cathode ray tubes, with and without graphic display; portable access terminals; source entry terminals; keyboard displays; facsimile terminals; intelligent terminals; low-priced terminals for bank customers' offices; digital plotters; line printers and low-speed character printers.

Also alphanumeric presentation printers; batch reader systems; character display units; converters; high-speed tape punches; punch tape equipment couplers; paper tape readers; magnetic tape transmission systems that can record and transmit; memory systems; disc memory systems, and solid-state core memories; multiplexers; remote multiplexers offer sales opportunities.

Demultiplexers; concentrators; conversational computers; adapters for card reading and badge reading; optical character readers; high-speed modulator-demodulator devices; all devices related to the U.K. Government Post Office computer network; and electrostatic printers for microfilm hold good potential.

Preceding the U.S. exhibition will be a broad market development campaign to attract trade visitors. It will include promotional programs aimed at trade organizations, Chambers of Commerce, and personal invitations to key buyers.

Earlier Commerce exhibitions

A measurement of the British market for U.S. data processing equipment comes from the sales figure of two earlier Commerce Department exhibitions there. In January 1968, at a Compact Computer Exhibition in the London Trade Center, 16 U.S. exhibitors sold $80,000 worth of equipment off the floor and filled $1.6 million worth of orders in the following 12 months.

After the Trade Center showing, 16 of the exhibits were mounted on a train for showing in cities between London and Glasgow. The train trip brought another $2.1 million in sales for the following 12 months.

At a January 1969 Computer Graphics and Displays Exhibition in London, 34 firms made sales of $728,000 off the floor and predicted additional orders totaling $5.7 million by the end of next January.

Featuring computer equipment, three trade fairs and 12 U.S. Trade Center exhibitions have been staged since 1964. Six exhibitions have been held in the United Kingdom, four in Frankfurt, two each in Stockholm and Milan, and one in Wellington, New Zealand. Agents signed during the fairs number seven, with 26 signed after the shows closed. Trade Center shows have yielded 17 agents contracted at the shows and 64 post-show agreements. Reports from the January and June shows this year and the November 1968 exhibition indicating agents signed after the shows are not available.

U.S. manufacturers of data transmission facilities interested in the Jan. 12-16 London Trade Center show may obtain information by requesting the exhibitors' export market guide IMIS 69-67 prepared for this show and further details from the U.S. Department of Commerce (BIC-942), Washington, D.C. 20230, Area Code 202, 967-4653, or from any of the Department's Field Offices.

South Africa has busy fair program under three firms

In South Africa, which is currently experiencing a boom in trade fairs, professional exhibition management companies are responsible for organizing, scheduling, publicizing and administering most of the specialized industrial exhibitions. These will number nearly 20 this year.

The majority of exhibitions will be managed by one of the following Johannesburg firms: Industrial Exhibition Organisers Pty. Ltd., P.O. Box 15517, Siemend; South African Exhibition Organizers Pty. Ltd., P.O. Box 2900; BTE South Africa Pty. Ltd., P.O. Box 7870.

The Industrial Exhibition Organisers are planning eight fairs for 1970: Hotel, Catering and Food Processing Equipment in April; Engineering and Welding Equipment in July; Textiles in August; The Great Outdoors in September; and Power, for the automotive industry, in November. Dates are not available for the following fairs: Eve, featuring women's consumer goods; education and careers show; and an auto fair.

The South African Exhibition Organizers are planning a hotel and catering show in January but have not set dates for the packaging and printing show; Electra, for the electronics industry; and commercial transportation.

BTE will sponsor a building trades show in August and a medical equipment and drug exhibition in June.

The largest of all the South African fairs, the Rand Easter Show, is scheduled for next April and will celebrate the 75th anniversary of the fair. Mass-consumer items will dominate the displays. The Industrial Exhibition Organisers have more information on this show.

For further information on any of South Africa's exhibitions, write directly to the fair organizer listed above or check with the nearest Commerce Department Field Office for information on conducting business in South Africa. Interested firms should also make sure that the appropriate American Consulate General in South Africa is aware of its plans.

Brochures on two shows scheduled for Oct. 13-18 at Milner Park, Mines '69 and the Sixth Instrument and Automation Exhibition, are available from the African Division, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230.

Growing nationalism deters foreign investment in Philippines; Japan now leads U.S. in market

Nation needs foreign capital but follows restrictive policy; dollar outflow continues despite restraints on import credit

The Philippines has awakened to the need for a higher rate of economic growth, but the efforts to date to attain this objective have not produced significant results.

A restrictive investment policy, inspired by growing nationalistic sentiment, has discouraged the entrance of substantial amounts of foreign capital, and local capital alone cannot finance the amount of industrialization required to bring the country to the "take-off" stage. The unresolved status of vested rights under the Laurel-Langley agreement, which expires in 1974, has also had an unfavorable impact on new foreign investment.

One of the most serious problems of the country is the dearth of capital for the development of industries, agriculture, and natural resources. Local capital is available but not well allocated, and new foreign exchange loans are hard to come by because of the country's severe balance of payments problems. Industrialization, while not stagnant, is not progressing at a sufficiently rapid rate to cure the chronic problem of heavy unemployment and underemployment.

Despite these adverse factors, the gross national product (GNP) in real terms increased by 6.4% in 1968, boosted by a high growth rate of 15% in mining and 8.1% in agriculture. The growth rate in manufacturing, however, which was maintained at 5.5%, was insufficient to sustain a high rate of industrial development. The slowdown in commerce and construction was largely attributed to the government's tight credit policies.

Prices tended to level off in 1968, with the wholesale price index rising by 2.9% and the consumer price index for Manila increasing by 3%. Prices of food items dropped while rental costs increased, particularly in the second half of the calendar year.

The unusually high level of imports in 1968, $1,150.2 million, was accounted for by the continued demand for capital goods, transportation equipment, raw materials, and consumer goods. Heavy inventory building by the business sector in anticipation of further credit restrictions also contributed to the rise in imports.

U.S. slips to second place

The United States in 1968 continued as the Philippines leading foreign supplier, with a 32.4% share. In the first quarter of 1969, however, the United States was overtaken by Japan in supplying the Philippine market, and showing the effects of the dock strike, the U.S. percentage of Philippine imports dipped sharply to a new low of 24.7%.

The import credit restraints introduced by the Philippine Government in 1967, and extended into 1968 in more restrictive form, failed to arrest the dollar outflow on imports, and the Government was compelled to further extend these policies into 1969. On July 1, the Central Bank extended until Dec. 31, 1969 the special time deposits (STD) requirements, ranging from 90 to 120 days, for import letters of credit (fourth time), and the ceilings on import and domestic lending operations of the commercial banks.

Philippine exports, on the other hand, largely because of typhoon and drought damage and to some extent world market fluctuations, were unimpressive. They continued to be limited to such primary products as logs, lumber, plywood, raw sugar, copra and copra products, abaca, copper concentrates, etc.

In early 1969 a noteworthy breakthrough was achieved by the country's new steel mill, The Iligan Integrated Steel Mills, Inc., which concluded a contract with Taiwan to supply $550,000 of tinplate and with Argentina to supply $4.1 million of cold rolled coils. This, however, may prove to be an isolated instance. Export trends this year do not indicate any notable improvement over 1968.

The Philippine Congress has not yet taken a firm stand on the enactment of effective export incentives legislation to encourage and promote export trade, including the diversification of export products. The country continues to rely on its traditional export commodities, largely unprocessed, to earn foreign exchange.

Despite insufficiency of export product, the Philippines during the course of the year investigated the feasibility of initiating trade relations with Eastern European countries. Two Philippine trade missions visited the Soviet Union and other socialist countries in Eastern Europe. The Government ultimately decided to maintain its present policy of trading with these countries on an experimental basis, covering export products such as abaca, coconut oil, and tobacco.

Close trade ties with Japan

In recent years, Japan has emerged as a major trading partner of the Philippines. While not necessarily reflective of a definite trend, in the first quarter of 1969, as noted earlier, Japan surpassed the United States as the Philippines principal supplier, with shipments totaling $80.8 million as against U.S. shipments of $68.3 million.

The closer trade relationship between

U.S. goods will sell

Because of the technologically advanced products offered by the United States, U.S. suppliers will continue to enjoy a good portion of the Philippine market, particularly in such fields as power, telecommunications, transportation, and irrigation, all of which represent key projects of the government's development program.

Increased sales possibilities are also foreseen for feed additives, grain storage facilities, tobacco, wheat, cotton, sugar mill machinery, farm equipment, machine tools, data processing equipment, hand and power pumps, diesel generators, aircraft and aircraft maintenance equipment, and chemicals and chemical products.

Japan and the Philippines stems from the geographical proximity of the two countries, and the complementary nature of their economies. Other factors which have influenced increased imports from Japan are its liberal credit policies, lower shipping costs, and reparations obligations to the Philippines averaging close to $30 million per year until 1976.

Imports under Japanese reparations have included ships, cement, paper, munitions, textile plants, and general machinery including machine tools, irrigation equipment, bridge-building and road construction materials, etc. Heavy imports of the latter category are expected in 1969 under a $30 million loan extended by Japan early this year for building highways, bridges, etc., in connection with the proposed Philippines-Japan Friendship Highway which will link the major islands of the Philippines.

Japan's liberal credit policies have been most prominently reflected to date in the sale to the Philippines of six sugar mills, with more possibly in prospect. In addition to extending liberal long-term financing for the machinery and equipment component of these sugar mill projects, the Japanese, as part of the package, have advanced cash loans for construction, plantation development and miscellaneous expenses. Other important imports from Japan have included metal products, iron and steel products, textiles, chemicals and power generating equipment.

Since 1967, the Philippines has been running a trade deficit with Japan which appears to be growing. Total imports from that country in 1968 were valued at $326.6 million as against exports of $284.1 million, resulting in a trade deficit of over $42 million. The spread in the first quarter of 1969 alone was over $20 million. Similar trade deficits have also prevailed with most of the Philippines' other trading partners, the United States and the Netherlands excepted.

In 1968, the combined value of imports from Germany, the United Kingdom, Australia and Indonesia, representing the most notable smaller trading partners, totaled $194.9 million as compared with Philippine exports to these countries of less than $50 million. In the first quarter of 1969, the ratio of such imports to exports increased to 8.1.

U.S. market share drops

The total value of imports from the United States in 1968 rose to over $372 million from $362 million in 1967. However, the U.S. percentage of total Philippine imports declined slightly to 32.4% from 34.1% in 1967. In the first quarter of 1969, the U.S. share dipped sharply to 24.7%, based on a total value of imports from the United States of $68.3 million.

Philippine exports to the United States in 1968, by contrast, increased to $382.8 million from $352.6 million in 1967, and represented over 45% of total Philippine world exports. In the first quarter of 1969, the United States still continued as the principal market for Philippine products, notwithstanding some decline in the export value of shipments. Principal Philippine shipments to the United States consist of raw sugar, copra, coconut oil, tobacco, plywood and veneer, pineapple and desiccated coconut.

The primary reasons for the declining trend in U.S. imports have been the restrictive import policies virtually banning so-called non-essential and luxury imports from the United States, the continuing restraints on domestic and import credit, and the stiff competition from third-country suppliers, particularly Japan.

The principal items imported from the United States have been electrical and non-electrical machinery, including capital equipment, transportation equipment, followed by foodstuffs and agricultural raw materials, textiles, chemicals and chemical products, and paper and paperboard products. Strong competition from Japan has reduced U.S. sales of many of these items, most noticeably in the area of capital equipment, and chemicals and chemical products. West Germany is also gaining recognition as an important supplier of capital equipment.

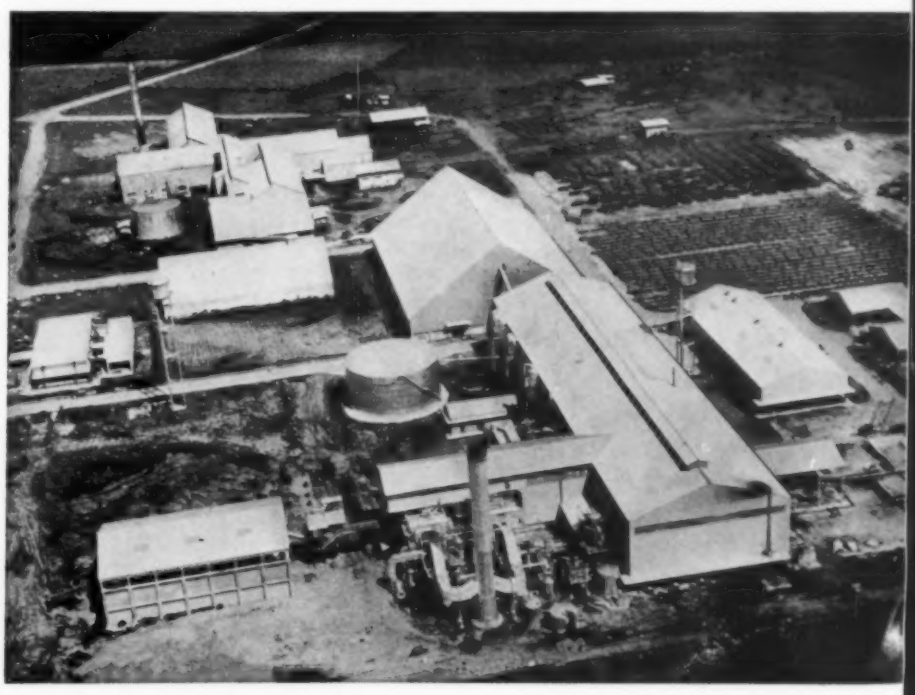
Continuing import restraints, particularly on non-essentials and luxury goods, coupled with the unavailability of sufficient "progressive" competitive financing

Higher import barriers

Import restrictions, particularly on non-essential goods and luxury items, have increased, in the form of voluntary restraints, outright embargoes, and other types of non-tariff barriers. The immediate prospects for foreign suppliers to materially expand trade with the Philippines look pretty dim.

While the United States in 1968 continued as the Philippines principal trading partner, supplying around one-third of the country's import needs according to figures released by the Central Bank of the Philippines, in the first quarter of 1969 the United States was overtaken by Japan as the Philippines' leading supplier.

THIS SUGAR MILL, in operation since the 1967-68 milling season, produces 3,000 metric tons of raw cane each year. Sugar mill machinery is a significant Philippine import and raw sugar a major export.



from the United States, is expected to reduce the U.S. share of the Philippine market, at least temporarily. While large quantities of capital equipment will continue to be imported to support the government's infrastructure program and private industrial projects, third-country suppliers, notably Japan, are likely to be the principal beneficiaries because of the more liberal credit terms offered by those countries.

Import credit restraints

A series of import credit restraints, designed to stem the upward trend of import expenditures and conserve the country's dwindling foreign exchange resources, continue to be imposed on the economy.

The burdensome and costly special time deposit requirement on the opening of import letters of credit has been extended until Dec. 31, 1969. Importers, accordingly, will be required to continue to make time deposits equivalent to a certain percentage of the cost of their imports, which is held in the banks from 90 to 120 days depending on the category of importation.

In addition, ceilings have been imposed on the issuance of new letters of credit (L/C) by the commercial banks. Within the past few months, the commercial banks were persuaded by the government's monetary authorities to reduce the volume of their monthly issuance of new letters of credit by 30% from their average monthly levels from October 1968 to March 1969. Under the 70% permissible allowance, the banks are currently limiting their import financing to essential consumers and essential producers categories of goods, and are rationing available foreign exchange among their traditional customers.

The importation of luxury and non-essential goods is now virtually banned by reason of the continuation of a 9-day mid-June temporary suspension on the opening of L/C's for the following Central Bank classifications of such goods: non-essential, semi-essential, semi-unclassified and unclassified consumer goods and unclassified and semi-unclassified producer goods.

Legislation favors local capital

The prevailing uncertainty regarding the future status of existing U.S. foreign investments, compounded by the enactment in 1968 of a domestic-oriented Investment Incentives Act and a Foreign Investment Registration Law, has resulted in a growing disenchantment with the Philippines as a place to invest.

Another serious deterrent to foreign investment was recently created by the passage by the Philippine Congress of a joint resolution known as the Economic Freedom Bill, which sets forth the basic policies of the nation to achieve economic development and attain social justice. The general implication as regards foreign investment is that it will be tolerated, but is not preferred.

The pertinent provisions of this resolution, for which the implementing legislation has not yet been passed, are:

"Foreign borrowing by both the public and private sectors shall be preferred to foreign investment and shall be availed of and utilized exclusively for truly productive purposes.

"To increase the participation of Filipinos in the economy, the following principles shall be observed:

► National treatment shall be accorded to foreigners only by law, not by treaty.

► Effort shall be undertaken to place all aspects of the distributive trade in the hands of Filipinos.

►All new institutions performing financial functions shall be owned and controlled by Filipinos. Foreign financial institutions already operating shall be required to incorporate under Philippine law and bring in actual capital for their operations; or to take such other steps as will provide adequate protection for their depositors and creditors, and eliminate undue competitive advantages over Filipino banks.

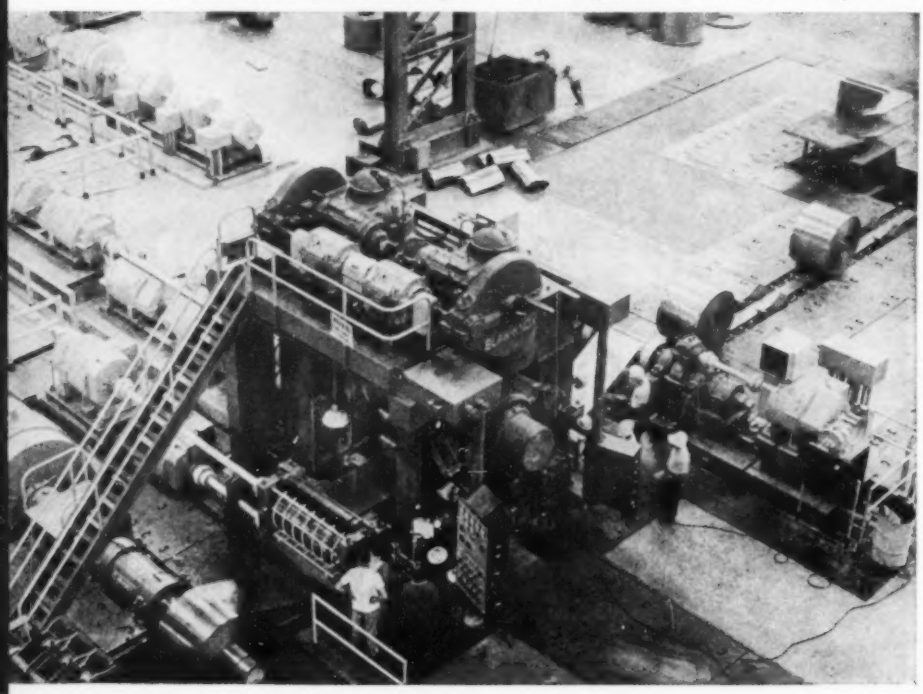
► Government financial and credit institutions shall grant loans and extend credit only to, and guarantee the obligations only of, Filipinos or domestic corporations at least 70% of the capital of which is owned and controlled by Filipinos . . . etc.

► Industries vital to national security shall be regulated as businesses affected with the public interest. Steps shall be taken to place them under the control of Filipinos."

Despite the depressing foreign investment picture, according to figures released by the Philippine Government a total of 672 million pesos in fresh local capital was injected into the Philippine economy in 1968 as compared with approximately 420 million pesos in 1967. This is exclusive of the fairly sizable amounts expended on the expansion of existing industries.

As in recent years, Filipinos accounted for the largest share (92.6%) of these investments in new enterprises. The Chinese invested 4.6% and U.S. companies a meager 0.8%. Other foreign nationals accounted for 2%. The preferred category of investment was wholesale and retail trade, which registered an increase of 22% over the previous year, followed

ILIGAN INTEGRATED STEEL MILLS, INC. has contracted to ship $550,000 worth of tinplate to Taiwan and $4.1 million of cold rolled coils to Argentina. Below is Iligan's combination sheet and tinplate mill.



by manufacturing, which, however, declined by 4% from its 1967 level. Other significant investment sectors were real estate, communication and business services, construction and banking.

The Board of Investments (BOI), which administers the Investment Incentives Act, announced in June 1969 that proposed equity investments in BOI-approved projects in terms of authorized capital totaled 1.135 billion pesos during the 10-month period from July 1, 1968 to May 1, 1969, with the subscribed portion amounting to 611.3 million pesos and paid-up capital totaling 520 million pesos.

Of the subscribed capital, Filipino investments accounted for 83% and foreign participation 17%, including 78 million pesos by Americans. By types of industries, manufacturing (61.8 million pesos) led among American investments, seconded by mining (16.1 million pesos). Pulp and paper, metal products, mineral products, forest products, glass products and coconut products were the principal industry categories in which American investments were made.

Predominant Filipino investments were in manufacturing, mining, agriculture and fishing, comprising the following product categories in their order of importance: metal products, mineral products, forest products, chemicals, fishing, glass products, coconut products, pulp and paper, fiber products and corn products.

Record trade deficit

The Philippines incurred a record high deficit of $302 million in its foreign trade last year, 25.5% in excess of the 1967 gap of $240.7 million. Total imports in 1968 reached an unprecedented $1,150.2 million, representing an increase of 8.3% ($88 million) over the 1967 level.

Total exports at $848.3 million registered only a modest increase of 3.3% over the $821.5 million exported in 1967. In the first quarter of 1969, the trade deficit of the country continued unabated and reached $91.1 million.

Agreement on aluminum smelter

More recently, one of the largest projects to receive BOI endorsement is the proposed 150 million peso aluminum smelting complex, the country's first, in which Reynolds (Philippines) Corporation will be a major equity participant. The signing in mid-July of a memorandum of understanding by the interested parties culminated a year-long impasse among the three local bidders for the project, Republic Flour Mills, Inc., Reynolds (Philippines) Corporation, and Hooven (Philippines) who will all own the largest single blocks in the new enterprise. The Private Development Corporation of the Philippines is also participating as an investor. The aluminum smelting plant will be established in Iligan City and, barring unforeseen difficulties, is expected to be operational in 1973.

Another important project currently pending approval before the Board of Investments is the country's first lubricating oil refinery, with an estimated capacity of approximately 150,000 metric tons. Three different groups are competing for the project, all of which involve collaboration with Filipino interests. They are Shell Refining Company (Phil.) Inc., Caltex, and Peninsula Getty Oil. This project, similar to the aluminum smelter, carries the beneficial "pioneer status" under the Investment Incentives Act in terms of a series of tax and other incentives.

The BOI reportedly has hired a neutral French consulting firm to make a study of the proposals submitted by all three groups. Once established, the plant is expected to save the Philippines some $60 million in foreign exchange in the first 10 years of operation.

THE DEVELOPMENT BANK OF THE PHILIPPINES, owned by the Philippine Government, is the primary source of long-term funds for the rehabilitation, development and expansion of agriculture and industry.

Patent conference will cover world case studies

The International New Products Center, a subsidiary of Patents International Affiliates, Ltd., has scheduled an International Patent Licensing Conference and Seminar at the Park Sheraton Hotel in New York City Oct. 8-10.

On the panel are Robert Anderson, the U.S. Atomic Energy Commission's assistant general counsel for patents; Frederick J. Lees, chief of the patent prosecution division of the office of general counsel of the National Aeronautics & Space Administration, and Gayle Parker, NASA's patent counsel. Industry officials from NCR, American Standard, General Electric, Olin Mathieson, W. R. Grace and Lockheed will also speak.

Registrants for the conference will also be given free admission to the PATEXPO '69 International Patent Licensing Exposition at the New York Coliseum that runs Oct. 9-12 (INTERNATIONAL COMMERCE, June 16, p. 15). **Write:** International New Products Center, 680 Fifth Avenue, New York, N.Y. 10019.

Mali's economy improves as new leaders promote free enterprise, invite private foreign investment

Government issues liberal investment and mining codes; market for U.S. products is small but should expand

The policies of Mali's new Government, which took office after a bloodless coup on Nov. 19, 1968, have improved the climate for economic development, according to the annual Economic Trends Report from the U.S. Embassy in Bamako. The Government's first pronouncement included a pledge to reduce Mali's extensive system of state enterprises as well as an appeal for foreign capital to aid Mali's economic growth, and promised full cooperation with any productive venture.

Mali has basic economic difficulties, however, that work against any rapid increase in its growth rate. It is one of the poorest of Africa's underdeveloped countries, and substantial foreign economic assistance is necessary for the maintenance of financial stability. Large balance of payments deficits exist, even in the best years. When crops are damaged by drought, as happened this year, or flooding, which last occurred in 1967, emergency foreign assistance is necessary.

Despite these obstacles, Mali is making modest economic progress. The country's industrial base is steadily broadening, and there has been a considerable increase in land under cultivation for the new growing season.

Opportunities for expansion of American commercial and investment activities exist despite Mali's difficulties.

U.S. exports up 63%

Malian statistics show that imports from the United States jumped from $232,000 in 1967 to $378,000 in 1968, a 63% increase. A large Public Law 480 grain shipment will place the 1969 level well over a million dollars.

Several factors indicate the possibility of a continued growth in American sales to Mali. France seems willing to continue to guarantee the convertibility of the Mali franc even in the face of a growing deficit. Import licenses for consumer products, once unobtainable, are now available in limited quantities, and there is a possibility that the "reverse preferences" which give the Common Market such a strong tariff advantage over the United States and other countries may one day be eliminated. Mali and the United States have an Investment Guarantee Agreement.

Except for Mobil Oil of West Africa and Texaco Africa Ltd., which have petroleum distribution facilities in Mali, no American or American-controlled firms have installations or offices in Mali. The only purely private bank in Mali, the Banque International pour l'Afrique Occidental (BIAO), is 49% owned by the International Banking Corporation, a subsidiary of the First National City Bank of New York.

Eighteen American firms are represented in Mali by UNICOOP, a state enterprise, and five French private commercial houses. Most of the latter are local offices of West African French chains, headquartered in France. These local firms represent U.S. exporters of such goods as automobiles, marine engines, construction and agricultural equipment, air conditioners, stoves and refrigerators. The number of U.S. firms represented has dropped considerably in recent years.

The annual sales of American products handled by the above representatives are minimal. They report, however, that sales are increasing and predict that 1969 sales will substantially surpass those of 1968.

U.S. purchases from Mali have been virtually nonexistent; over the past three years dollar export earnings have been $4,000 in 1966, $2,000 in 1967 and $3,000 in 1968. Dollar earnings for Mali originate from sales of African song birds and art objects and from a small flow of American tourists drawn to visit the "mysterious city" of Timbuktu.

Although American products are held in high regard, Mali will probably continue to look to the European Common Market countries, particularly France, as well as to the Soviet Union and Communist China to satisfy the bulk of its import needs. Malian ties to France remain strong because of the common use of the French language, familiarity with French culture and taste, and long established business and other ties. This natural affinity is reinforced by such practical considerations as lower prices, transportation links and lower duties on Malian purchases from Common Market countries. There is also relative ease in obtaining foreign exchange for use within the Franc zone.

Mali's trade with Communist China, the Soviet Union, and other Eastern European countries is regulated by "swing credit" arrangements, which, while setting limits for Mali's indebtedness to individual states, permits imports without immediate payment. Mali's imports from these nations often come in the form of gifts or long-term loans on liberal credit terms.

Potential in mining

The Government has promulgated new, liberal investment and mining codes. Mali is a very large country of over 464,000 square miles. Prospecting by France and the Soviet Union has revealed traces of uranium, copper, bauxite, iron ore, manganese, lithium, phosphates, gold, diamonds and petroleum, but none in sufficient quantities for exploitation.

Large mining operations have started in neighboring countries, in some cases in geological formations which extend into Mali. The possibility remains that extensive deposits may be discovered here. Transportation difficulties will, however, make exploitation an expensive proposition and perhaps not economically feasible.

Agriculture, the base of the economy, presents a mixed picture. The dominant economic activity in Mali is subsistence farming, the essential occupation of 95% of Mali's 4.8 million people. Mali suffered a severe drought during the 1968-69 growing season. Malian officials place the shortfall in millet, rice, and peanuts at between 20 and 40%.

The amount of millet and sorghum that the Government was able to buy from producers this year dropped from 60,000 tons to 10,000 tons. Private sales of grain, legalized since the coup, and widespread smuggling accounted for much of the drop. Millet is in very short supply in Mali. The Government imported 31,000 tons of substitute cereals to cover the deficit, of which 15,000 was a U.S. Public Law 480 donation. Rice is similarly scarce, and 22,000 tons of that also had to be imported. Prices for these goods are much higher than normal, but should begin to decline in the fall. Cotton production is estimated to be at about last year's level of 31,000 tons.

Agricultural observers look to the

France leads suppliers

Mali's major foreign suppliers during 1968 were France ($10.7 million), the Soviet Union ($6.2 million), and Communist China ($4.5 million). Products of these nations dominate the nation's imports, which consist mainly of petroleum products; foodstuffs, principally sugar, tea, salt and powdered milk; vehicles, machinery and spare parts; cotton cloth; pharmaceuticals; and construction materials.

According to Malian Customs Statistics, Mali's major customers are the Ivory Coast, France, Senegal, Ghana, and the Netherlands. (Many exports are credited to the Ivory Coast and Senegal, even though they only pass through in transit). Mali's chief exports are livestock, fish, cotton and peanuts.

future with considerable optimism. The new Government has renounced the previous regime's threats to collectivize agriculture. It substantially raised prices paid to the producer by the state agricultural marketing enterprise. Private traders were allowed, for the first time, to pay even higher prices. Farmers initially reacted to these higher incentives with an unprecedented sale of long-hoarded grain stock. Experienced observers note a considerable increase in land under cultivation for the new growing season.

The state cereal purchase monopoly may have to be partially reinstated next year. Since prices in neighboring countries are much higher than in Mali, smuggling is profitable. If producer prices were allowed to reach their free market level, increases in consumer prices would result and the benefits of the 1967 devaluation would be undermined.

Mali's meat production within legal channels has declined over the past four years. Total meat exports, licensed and clandestine, have probably remained constant.

Fish production remains stable at approximately 100,000 tons per annum. Legal exports of cured (smoked, dried) fish, however, have generally declined.

New supermarket opens

One year ago the consumer found only a small quantity of Chinese and Eastern European and French goods upon which to spend his money. Basic needs such as sugar and powdered milk were often unavailable. Since the opening in late 1968 of a new state-run supermarket, built by the Yugoslavs, in downtown Bamako, a wide range of Western European goods have been available, although at very high prices. Private sellers have shared in the new consumer import supply and report a marked gain in total turnover. State enterprises still handle the bulk of trade, however, and French trading houses report they are still operating with little or no profit. One large company closed down its operation several months after the coup. Small merchants have been aided by a revision of the commercial code minimizing requirements for starting businesses. The previous statute had sought to discourage private trade.

Industrial activity is slowly increasing. Mali's small industrial sector is slowly growing and diversifying. Its industrial base includes cigarette and match factories, a sugar refinery, a large cotton textile combine (all built with Communist Chinese aid); a ceramics plant (North Korean aid project); a small transistor radio assembly plant (French assistance); a peanut-oil processing plant (West German aid); a cannery (Yugoslav aid); a slaughter house (EEC aid); and installations for brick-making and cutting granite.

Growth in annual industrial production is demonstrated by the following figures (which do not include food processing): 1964-65—$10.8 million; 1965-66—$16 million; 1966-67—$20 million. The operation of the large textile combine which opened early in 1968 undoubtedly made a significant addition to these figures. A Russian built cement plant, a Chinese tannery and a U.N. sponsored milk drying plant will go into production in 1970.

Although Mali's industrial base has broadened, it remains plagued with many problems arising from inexperienced management and personnel. Maintenance of equipment, inventory controls and accounting procedures have been major areas of difficulty. The new Government is cooperating closely with France and the International Labor Organization to institute proper management procedures.

Construction and public works activity is up, after declining for many years. Official figures dropped from $18.4 million in 1964-65 to $11.2 million in 1966-67. While no further official estimates are available, the decline probably continued through 1968. Much of the earlier activity represented projects financed by foreign assistance. New projects, such as a European Development Fund-financed airport, a training center for nurses and two U.S. AID financed projects are causing a modest boom in construction which should last for a few years.

Mali, with the help of France, has advanced toward financial stability. The 1967 devaluation is now an accepted fact, and no great inflation has resulted. The Mali franc is fully convertible with the support of the French franc. The flight of capital which followed convertibility has slowed down. Revenues for 1969 will almost balance expenditures, thanks in part to a French subsidy.

Certain difficulties cloud Mali's financial future, however. Smuggling to nearby countries robs the Government of vital revenue. A general wage increase would unbalance the budget and the economy. Large annual trade deficits have saddled the Government with extensive foreign debt repayment obligations, and it also has large unpaid obligations to the state enterprises. Most importantly, any lessening of French budget subsidies or willingness to support the Mali franc's deficits would cause severe problems.

In international trade the country continues its traditional deficit position. France covers most of this deficit with financial support. Mali's trade deficit increased considerably in 1968, as exports gained only slightly while imports soared.

Since independence Mali has received a total of some $21 million in bilateral American economic assistance and some $3 million in military assistance, largely in the form of training, and aviation and engineering material. The military assistance program terminated in 1968.

Two previously negotiated projects remain active. Construction on a Central Veterinary Laboratory is under way and construction will begin soon on a Science Building for a Teacher Training College. Two regional projects which include Mali are presently active and others are under study. Future emphasis will be on regional and multi-lateral projects and on U.S. assistance through the United Nations, which remains substantial.

Mali also devalues

Mali, along with the other 13 African countries of the French Franc Area having special financial arrangements with France, has elected to maintain the parity between its currency and the French franc. Accordingly, Mali devalued the Malian franc by 11.11% as of Aug. 11, 1969. The new rate is 555.419 Malian francs to one U.S. dollar.

U.S.-Canada auto agreement has major impact, report says

Two-way automobile and parts trade continues rapid growth; U.S. sales up 400% since 1964, but favorable balance declines

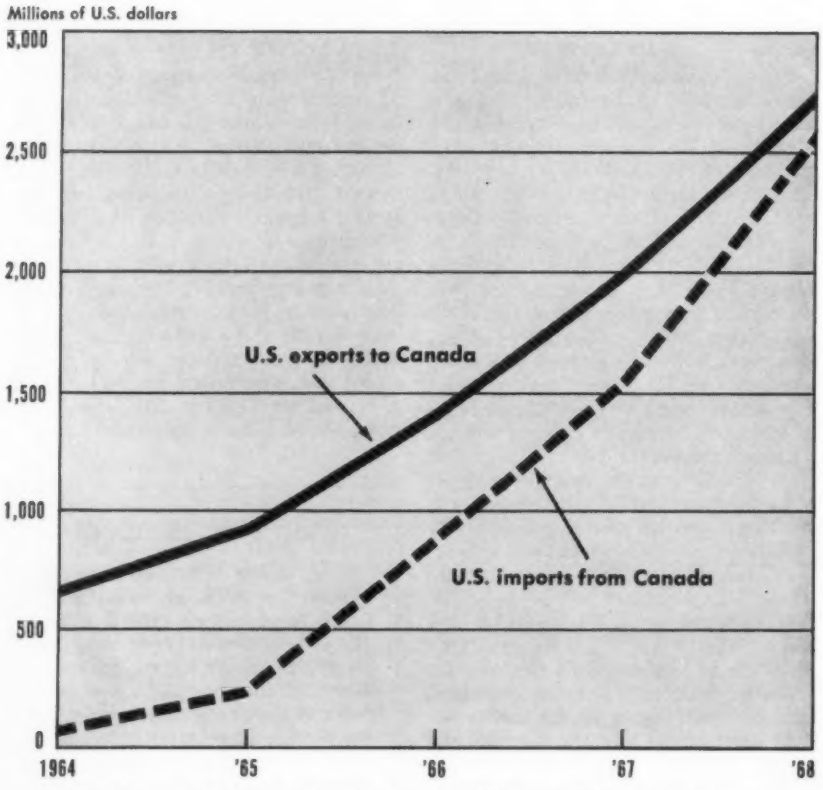
Automotive trade continues to be significantly affected by the U.S.-Canada Automotive Products Trade Act of 1965, according to President Nixon's annual report to Congress on the agreement.

The report points out that total two-way automotive trade increased from $735 million in 1964 to $5.3 billion in 1968, with Canada continuing to maintain her position as our major customer and supplier of automotive products, accounting for two-thirds of all U.S. automotive exports and 60% of U.S. automotive imports in 1968.

Productivity, particularly in the Canadian auto industry, has improved. The differential between higher Canadian and lower U.S. vehicle prices has narrowed. Considerable progress has been made toward the goal identified in the agreement of a single motor vehicle industry serving the needs of the combined U.S.-Canada automotive market.

President Nixon's report indicates that U.S. automotive imports from Canada have increased more rapidly than have our automotive exports, resulting in a decline in our net favorable balance in automotive trade with Canada from about $583 million in 1964 to about $164 million in 1968 on a wholesale market value basis. These figures are based on the import statistics of the two countries, which are the most accurate and comprehensive measure of total trade between the U.S. and Canada for the period since implementation of the automotive agreement.

U.S.-Canada automotive products trade, 1964-68



Note: Tires and tubes are not included. Data for 1968 are preliminary and subject to revision. U.S. exports to Canada are based on Canadian import statistics; U.S. imports from Canada are based on U.S. Bureau of the Census data.

Vehicle trade deficit rises

In trade in parts and accessories, the United States realized an export surplus of $933 million in 1968 (compared with a surplus of $780 million in 1967), but the deficit in vehicle trade increased in 1968 to $769 million from $341 million in 1967.

Canadian production growth has been stimulated in part by the transitional arrangements incorporated in the agreement and related undertakings, under which the right to import vehicles and original equipment parts without payment of Canadian duty is dependent on Canadian vehicle manufacturers meeting certain "Canadian value added" criteria in the finished vehicles.

The President's report declares that in view of the fact that the Canadian automotive industry has already achieved impressive growth and is expanding rapidly it would seem timely to move toward elimination of these transitional restrictions on Canadian imports of motor vehicles and parts from the United States. Further consultations with the Government of Canada will be held in the Fall with a view toward working to achieve fully the objectives of the automotive agreement.

U.S. sales quadruple since 1964

On the U.S. side, automotive exports to Canada have increased substantially, from $659 million in 1964 to $2 billion in 1967 and $2.7 billion in 1968. Exports of parts and accessories alone accounted for $1.7 billion of 1968 exports. Automotive imports from Canada grew even more rapidly, from $76 million in 1964 to $1.6 and $2.6 billion in 1967 and 1968, respectively. In 1968, U.S. automotive imports from Canada were composed primarily of finished vehicles ($1.8 billion).

The automotive products agreement has also stimulated a substantial expan-

sion of trade in the products of allied industries, such as machinery used in automotive production, tires and tubes, paints and fabrics, and raw and semi-finished materials such as rubber and steel.

Production of motor vehicles in the United States in 1968 was 10.8 million units, making 1968 the second largest vehicle production year. Motor vehicle production in Canada was 1.2 million units in 1968, an increase of 25% from the 1967 level and 76% over the pre-agreement year of 1964.

Some car models are no longer produced in Canada and Canadian demand for such lines is supplied entirely from the United States. On the other hand, Canadian assembly plants now specialize in fewer models with longer and more efficient production runs. Canadian vehicle and parts manufacturers have undertaken, and plan further, substantial investment in new plant and equipment.

U.S. automotive employment rose from an average of 753,000 in 1964 to 868,000 in 1968. Canadian automotive employment increased during this period from 70,000 to nearly 90,000.

Adjustment assistance helps

Legislation incorporated into the provisions of the Automotive Products Trade Act of 1965 provided for adjustment assistance to workers or firms in the United States who were found to have been harmed by the Agreement through June 30, 1968, when the adjustment assistance provisions expired.

Between the effective date of the act and June 30, 1968, petitions for adjustment assistance were filed by 21 groups of workers. Certifications of eligibility were issued in 14 of the cases covering almost 2,500 workers in six states; the other seven petitions were denied.

Of the nearly 2,500 workers who were certified as eligible for assistance, approximately 1,950 have actually received weekly payments. Total assistance allowance payments under the act through December 1968 were about $3.8 million, including $61,000 for training allowances. No firms have applied for adjustment assistance.

Since 1965, the Canadian Adjustment Assistance Board has authorized 70 loans to Canadian firms amounting to $52 million. The Board has also certified almost 8,000 workers as eligible to apply for transitional assistance benefits. The number of workers actually receiving benefits is considerably smaller. The worker and loan programs which were due to expire in Canada on Dec. 31, 1968 have been extended until June 30, 1970.

Japanese study assesses economic gains and lists problems in sustaining growth

'White Paper' pinpoints exports, investment, consumption, construction as key factors in current economic boom, calls for renewed efforts

Japan is experiencing the greatest and longest period of prosperity in its post-war history. The 1969 White Paper on the Japanese Economy published by the Economic Planning Agency (EPA) analyzes the unprecedented prosperity which has lasted since November 1965. It calls for renewed efforts to sustain the current business boom and to achieve real affluence by solving various social and economic problems facing the economy.

Japan maintained a high economic growth and simultaneously registered a large balance of payments surplus in the 1968 fiscal year ending Mar. 31, 1969. Its gross national product (GNP), second largest in the free world, amounted to $147.4 billion ($141.9 billion in calendar year 1968), an increase of 18.7% in terms of current prices or 14.4% in terms of 1965 prices. In per capita income, however, Japan ranked about 20th ($1,110 in 1968). The balance of payments surplus for fiscal 1968 reached an all-time high of $1.6 billion ($1.048 billion in calendar year 1968).

Major factors sustaining the high overall economic expansion were exports, which gained 26.2%; equipment investment which rose 25.1%; personal consumption, up 15.0%; and housing construction, up 29.7%. Reflecting such gains, industrial production increased 17.2%. Consumer prices increased by 4.9% and wages by 14.2% over fiscal 1967.

Sharp export growth

The favorable turn in Japan's balance of payments from a deficit of $535 million in fiscal 1967 can be attributed largely to its improved trade position. In fiscal 1968 exports increased by 27%, far surpassing the average annual growth rate of 16% in 1961-67. The increase in imports, on the other hand, declined to 10.2% from the 20.4% expansion in fiscal 1967.

It is believed that long-term structural changes in the economy will cause a decline in the ratio of raw material imports to industrial output. The brisk increase in exports coupled with stagnant imports resulted in a trade surplus of $3 billion.

Exports of almost all commodities except ships and foodstuffs showed large increases. Steel, automobiles, electric equipment and machinery made impressive gains. The United States was the major market, taking about one-third of Japan's exports. The Southeast Asian market also took about one-third of Japan's exports. In addition to these markets, there was a worldwide trade expansion from which Japan profited.

Persistent growth in plant and equipment investment (about 27% annually since 1966) has played a major role in the current business upsurge. The ratio of plant and equipment investment to GNP, which had been declining since 1961, started to rise after 1966 and reached 18.7% at the end of 1968. Present export competitiveness is based in large part on the widespread use of modern equipment and advanced technologies. A growing labor shortage has spurred the use of automation and numerical control machinery.

At the same time, the labor force has been shifted from low-productivity sectors to more productive sectors. Japan responded to changes in world demand by placing less emphasis on textiles and light industry and promoting the chemical and heavy industry sectors. Furthermore, active public relations and advertising activities helped Japan's image abroad as a supplier of high quality products.

Increased domestic consumption resulting from growth in personal income has also played a substantial role in the current prosperity. Active consumer spending accounted for 53% of total GNP over the past decade.

Expansion in the use of information media and apparatus and growth of the information industry have also supported Japan's economic well being. Japan has more telephones, television sets, and electronic computers than any of the Western European countries. The number of electronic computers in use has increased 2.5 times over the past three years. Computers are used not only in business management but also in production and inventory management.

Foreign capital inflow

That Japan was able to attain both economic growth and a balance of payments surplus is due also to a brisk inflow of portfolio foreign capital. The deficit in the

long-term capital account was reduced $84 million, an improvement of $660 million over the fiscal 1967 level. Investment institutions aimed at Japan were created by European interests. (The Nippon Fund in August 1968; the Japan Selection Fund in September 1968; the Tokyo Trust in December 1968; and the Pacific Fund in February 1969). West Germany was active in supplying capital, as was the Eurodollar market. Capital outflow from the United States remained stagnant, mainly because of Japanese restrictions on equity investment.

The White Paper attributes the high postwar economic growth to generally competitive circumstances in the domestic market, although it admits that the economy was under considerable protection from external competition. In growth inindustries competition among Japanese firms was particularly strong. The response to competitive conditions has been an improvement in the distribution system and increased export ratio. More recently, many firms are considering mergers, the formation of industrial groups, or internationalization. The White Paper points out that a close watch must be kept on the trend because any movement to restrict fair competition may restrict further economic growth.

Imbalances and problems

Japan's high economic growth does not extend to all sectors of the economy. Progress in the modernization of agriculture has been slow and there is excessive Government protection. Productivity in small enterprises employing from 20 to 49 workers was only 45% of that in large firms employing 1,000 or more workers in 1966.

Consumer prices continue to rise. Insufficient housing and inadequate public facilities such as highways, port facilities, railways, water and sewage systems, and parks are causing dissatisfaction. There is an undeveloped market for public and corporate bonds. Air and water pollution are increasing public nuisances. Social security facilities are inadequate. The ratio of social security allowances to the national income stood at 6% in 1967, a performance which is lower than international standards.

The White Paper, which is subtitled "Challenge for Affluence", lists these objectives for achieving real affluence:

Proper adjustments should be made of (1) private investments which affect the economic growth of the nation, (2) Government outlays which affect public investment and welfare facilities and (3) tax burdens which affect personal spending. The nation should determine the directions to which priority will be given.

Manpower should be developed still further. Efforts should be made to develop manpower which directly contributes to increasing productivity and which also meets the diversified requirements of today.

A new industrial structure should be built. Until now efforts have been mainly directed at the development of the heavy and chemical industries. From now on efforts should also be made to build up new industrial structures (e.g., technologically intensive fields) which will help eliminate various imbalances and enrich people's lives.

International interchange should be promoted. Efforts should be made to liberalize the imports of 120 items remaining on the import negative list. Capital liberalization should also be promoted. Japan ranked third in offering aid to developing countries, but its foreign aid accounted only for 0.74% of its national income. It is necessary for Japan to increase the amount of aid and ease the terms and conditions.

Future growth of the economy will rest upon increasing imports. Equipment investment and consumer spending are expected to continue at record levels. Furthermore, the Japanese Government has announced that it will continue to liberalize imports as well as foreign investment. American exporters of advanced machinery and equipment, consumer goods and raw materials should be particularly active, to take advantage of the brisk market in Japan.

World Bank was in black again for fiscal '69

Much of year's $171 million net income may be given to IDA

The World Bank has published its financial statements for the fiscal year ending June 30, and once again the figures indicate that lending to the developing nations is good business.

Net income in 1969 amounted to $171.4 million.

Gross income for the year was $410 million, compared with $356 million in 1968. Expenses, which included $197 million for interest on Bank borrowing, bond issuance and other financial expenses, totaled $239 million, compared with $187 million last year.

The Bank's Executive Directors have recommended that $100 million of the year's net income be transferred as a grant to the Bank's affiliate, the International Development Association. The remaining portion of the year's earnings, $71.4 million, will be transferred to the Bank's Supplemental Reserve, boosting it past the billion-dollar mark to $1,034.3 million. Total reserves, including the Special Reserve, will amount to $1,326 million.

During the year, the Bank made 84 loans in 44 countries totaling $1,399 million, compared with a total of $847 million last year. This brought the total number of loans to 636 (including $100 million to the International Finance Corp.) in 86 countries and territories and raised the gross total of commitments to $12,917 million. By June 30, as a result of cancellations, exchange adjustments, repayments and sales of loans, the portion of loans signed still retained by the Bank had been reduced to $8,621 million.

Disbursements on loans were $762 million, compared with $772 million in the preceding year. Cumulative disbursements amounted to $9,583 million on June 30, 1969.

During the year the Bank sold or agreed to sell $35 million principal amounts of loans, compared with sales of $107 million last year. On June 30, the total of such sales was $2,177 million, of which all except $69 million had been made without a guarantee from the World Bank.

Repayments of principal received by the Bank during the year amounted to $298 million, and repayments to purchasers of parts of loans amounted to $105 million. Total principal repayments amounted to $3,321 million on June 30, consisting of $1,798 million repaid to the Bank and $1,523 million repaid to purchasers of borrowers' obligations sold by the Bank.

On June 30, the outstanding funded debt of the Bank was $4,081 million, reflecting a net increase of $791.6 million in the past year.

During the year Botswana, Lesotho and Mauritius became members of the Bank and Trinidad and Tobago, Cyprus, Tunisia, Ghana and Burma increased their subscriptions to the Bank's capital. Thus on June 30 of this year there were 110 member countries and the subscribed capital of the Bank amounted to $23,036.4 million.

OECD expects strong engineering growth to continue

Last year's 7% increase will be matched, report says

Continued strong expansion in the engineering industries of its member nations is foreseen in a recent report by the Organization for Economic Cooperation and Development (OECD). Engineering industries in the three OECD zones (North America, Europe and Japan) are expected to match last year's 7% gain in 1969, with a sustained demand for capital goods furnishing most of the driving force.

Most member nations expect distinct gains in fixed capital formation, but anti-inflationary programs in several nations will probably moderate 1968's rapid growth in demand for consumer durables.

The industry's growth will again be by far the most dynamic in Japan with further steep rises in the production of both capital and durable consumer goods (particularly cars).

The prospects for North American engineering industries are a strong demand for their products, especially capital goods.

Difficult to assess

The ultimate impact of restraint policies in the United States, the report says, is difficult to assess at this time, while they are expected to dampen the Canadian output which will, of course, also be largely determined by trends in exports to the United States.

Order books in OECD-Europe point to a steep rise in production in 1969, some slowing down in growth being possible by autumn; expenditure on plant and equipment is expected to increase substantially in most countries, including the four largest; conversely, some countries' anti-inflationary measures may affect not only their own output of consumer durables but, as a result of closer trade links, also that of other European OECD members.

Last year Japan almost repeated its 1967 30% stride in output. OECD-Europe (+6%; after a 1% drop in 1967) recovered from the 1967 slump; North American output started to rise again (4%) after its 1967 lull. On both sides of the Atlantic, however, the industry's reaction to the general recovery was slow in coming, but developed strongly in mid-year.

European fiscal action favoring investment was the main cause of a first spurt in that area's production near the end of 1967. In early 1968 the impulse came largely from a revived demand for consumer durables (especially cars) and the replenishment of stocks; but demand for capital goods only recovered in the autumn. Except for Finland and Norway the sector's output thus increased distinctly in all European member countries. Germany recorded the highest growth (+12%) compensating losses in 1967 and 1966; while in the Netherlands, Spain and Austria growth exceeded OECD-Europe's 6% average.

In North America (up 4%) the 1968 upturn in production largely originated in the appreciable expansion in purchases of consumer durables (mainly cars) capital goods' output first rose moderately to accelerate in the second half, the demand impulse then coming above all from the non-manufacturing sector of the economy.

Japanese monetary measures of mid-67 dampened the rise in total industrial output in early 1968 but affected somewhat less the vigorous growth of engineering industries. Further increased purchases of consumer durables in the autumn brought a new acceleration in output by Japan, which in 1968 further consolidated its position, gained in 1967, as second engineering producer among OECD members and third in the world.

Ghana cuts CKD auto duty

The Government of Ghana has announced a reduction of the tariff rate on completely knocked down (CKD) automobiles from 30 to 15%. The new tariff rate, effective July 16, applies to CKD passenger cars, station wagons, utility vans and similar vehicles.

In anticipation of this action, two Lebanese-owned factories in Accra have already begun assembly of Japanese automobiles. Fattal Vehicle Assembly Ltd., the larger of the two factories, has completed trial production and expects to begin full-scale production by August. Its annual capacity on a one-shift basis is estimated to be 1200 units annually.

Indonesian economic comeback reflected in air traffic boom

Virtually all international airlines with services to the Indonesian capital of Djakarta are experiencing a continuing step-up in passenger traffic, as economic conditions improve and business visitors and tourists come in increasing numbers. Visitors totaled 52,391 in 1968, about double the number in 1967, according to a report by the American Embassy.

There are now 15 airlines servicing Djakarta—including Cathay Pacific Airways which started service earlier this year—with a total of 45 arrivals and 45 departures weekly. Garuda Indonesian Airways, the national airline, and Malaysia-Singapore Airlines have the most frequent service, with seven flights a week, while Thai International, Pan American World Airways and Japan Air Lines follow with six, five and four flights, respectively. Several of these companies have indicated to the American Embassy in Djakarta that they are considering introducing additional flights to Djakarta.

International tourist traffic to Bali is expected to increase considerably, although Bali now has less than 300 first-class hotel rooms and plans for new hotels are moving slowly. In addition to Garuda and other local airlines, Philippine Air Lines and Thai International now serve Bali (from Manila and Singapore-Djakarta, respectively). A number of companies are planning to inaugurate international service to Bali later this year.

Pan American World Airways, the only American carrier currently servicing Indonesia, reports a sharp upward trend in its Djakarta business. Its weekly pickup in Djakarta now averages 150 passengers. The local Pan American representative states that his company expects to inaugurate service to Bali by early 1970.

Improvements in both the Djakarta and Bali airports, slated to be completed this year, will facilitate further expansion of aviation traffic. The take-off capacity of Kemajoran Airport in Djakarta is being increased so that international carriers will be able to land and take off with fuller loads. Tuban Airport in Bali is being expanded and has been authorized for international use.

Saudi agency helps reshape economy into better balance

Petromin reports significant strides in diversifying mineral industries

Saudi Arabia is steadily advancing toward a balanced economy and the pace is quickening, according to the first progress report to be issued by the General Petroleum & Mineral Organization (Petromin), headquartered in the nation's capital at Riyadh. The 62-page illustrated report documents Petromin's activities from formation in 1962 through 1968.

During the six-year period, the report notes, Petromin established domestic distribution and marketing of all petroleum products, built an oil refinery in the Red Sea port of Jeddah and assembled some tankers to help cultivate international markets.

Foreign aid

With the aid of foreign companies, several of them American, Petromin erected a chemical fertilizer plant at Dammam on the Arabian Gulf, spurred new industry through construction and operation of a steel rolling mill in Jeddah and intensified exploration of mineral resources.

Dr. Abdulhady Hassan Taher, Petromin's governor, stated in the report that the government had formed the organization "to play an important role in transforming the Saudi economy from one that depends on a single source of income, petroleum, to an economy in which other mineral and petrochemical industries are of equal importance."

Government-generated

But although government-generated, Dr. Taher added, Petromin works for the expansion of private enterprise. It seeks "to encourage, help and provide Saudi citizens with opportunities for sound investment and added prosperity." It will have achieved its purpose, he said, if the private sector can one day carry out the tasks now being undertaken by Petromin.

The Saudi Embassy in Washington's newsletter describes Petromin as "the most significant single undertaking in Saudi Arabia's modern history." Looking to the future, the newsletter said Petromin plans to intensify exploration for petroleum, widen its refining facilities and increase its oil supply lines. It will continue to develop an integrated iron and steel industry, including a plant to produce steel pipe, and it expects to find further uses for natural gas including the likelihood of a polyphenyl chloride industry.

Turk import plan cuts exchange quotas for rest of year

Turkey has published its 23rd Import Program, to cover the period of July-December 1969.

The overall program governing imports into Turkey is published in January of each year. The lists of authorized imports are issued semiannually and divide imports into two basic categories: the Free Lists, which are comprised of those items not subject to quantitative restrictions, and the Quota List, made up of those items subject to global quotas.

The latest Import Program revised only the Quota List, reducing the total foreign exchange allocations for items on the list from $134.7 million in the first half of 1969 to $113.3 million in the second half. The quotas allowed to industrialists were cut from $109.4 million to $87.5 million. Quotas for importers rose slightly to $25.8 million from $25.2 million.

Removed from quota list

Pig and temper iron, iron and steel scrap, and iron and steel profiles were removed from the Quota List and placed on the Free List. Other changes in the Quota List included substantial increases in the allocations for fuel oil, diesel oil, kerosene and office machines, and in miscellaneous allocations for the communications and automobile assembly industries. The allocation for the petrochemical industry was more than tripled to $934,000 —an indication of the emphasis placed by the Government on development of this industry under Turkey's current Five-Year Plan.

Certain chemicals, including cellulose acetate, polyvinyl acetate, synthetic dyes, polyvinyl alcohol, polyethylene and polypropylene, as well as hair dryers and rubber and copper plates for the manufacture of gaskets were added to the list. Allocations were greatly reduced on items required for the manufacture of refrigerators, radios, power and distribution transformers, televisions, bicycles and engines.

More specific information may be obtained from the Near East-South Asia Division, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230. The product should be identified by the Brussels Tariff Nomenclature, the U.N. Standard International Trade Classification, the U.S. Schedule B export commodity number, or by a complete product description.

Dam in Philippines, Ghana water project get World Bank aid

New 7% interest rate on dam loan; IDA credit to Ghana is interest-free

The World Bank and its affiliate, the International Development Association have approved financing equivalent to $37.5 million to finance construction of irrigation facilities in the Philippines and the expansion of a water distribution system and the installation of a sewerage system in Ghana.

Competitive bidding

All necessary imports to be paid for with the funds must be procured through international competitive bidding.

A $34 million loan to the Philippines, at the Bank's new interest rate of 7% per annum which became effective on Aug. 1, will finance the foreign exchange costs of constructing a dam on the Pampanga river about 50 miles north of Manila; rehabilitating of irrigation systems serving 114,000 acres; constructing new irrigation systems to serve 77,000 acres; building of feeder roads; consultant fees; and study of possible power development at the dam. When fully developed the project will supply sufficient water to permit two rice crops a year. This development plus higher yields will enable the area served to increase production fourfold to an estimated 570,000 metric tons a year.

A $35 million interest-free IDA credit will finance the foreign exchange costs of extending the water distribution system of Ghana's capital city of Accra and the neighboring port of Tema, and the installation of a sewerage system in Accra.

The Republic of Ghana will relend the proceeds of the credit to the Ghana Water and Sewerage Corporation, a semi-autonomous agency responsible for administering the project.

U.S. licensees offered rights to German, Dutch, Belgian, S. American products

Offers include magnetic card filing system, sauna, washing machines, dryers, insulating material, containers, ozone generators

Firms in Germany, the Netherlands, Belgium and South America are seeking U.S. licensees to manufacture and distribute their products for the U.S. market. The products are a magnetic card filing system, electric home sauna, washing machines and dryers, insulating material, rectangular containers for shipping of liquids, and ozone machines.

For additional information and the name and address of the firm, **write:** Office of International Investment, code 874, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230, referring to the appropriate File number asigned each opportunity listed below.

• A West German firm is seeking a U.S. licensee to produce its electric home sauna.

The sauna, patented in the U.S., is completely portable and may be rolled up when not in use. It generates infra-red heat over the entire cabinet interior (wide area radiation), has double insulation, two safety thermostats, and a temperature regulating control. Accessories consist of floor heater, head mask with mouthpiece, and folding chair with footrest. The firm claims that its home saunas have been in use for almost 60 years in 100 countries. **File 1795.**

• A Dutch company offers a license to a U.S. company to produce and distribute its washing machines and dryers.

These machines, which handle a load of laundry weighing between three and five pounds when dry, are particularly suitable for use in trailers, apartments and summer cottages. The Dutch company is also interested in a cross-licensing arrangement. **File 1796.**

• A license to produce dielectric and heat-resisting insulating material is offered a U.S. firm by a West German inventor.

The basic raw material used in the process is scrap mica which is cleaned and split into minute flakes. The flakes then are treated with a special formula which permits their assimilation into sheets of 0.4 to 1.5 mm thickness.

According to the inventor, these sheets possess optimal dielectric properties. They do not absorb moisture, even in extended exposure to water, and will not be damaged by boiling water or steam. Heat resistance tests up to 500°C have been performed with satisfactory results. **File 1797.**

• A West German company is seeking a U.S. licensee to produce its rectangular, steel containers used for hauling and storing of liquids and fluid granular goods.

The containers are manufactured in truck trailer sizes for the railroad piggyback system, or in small sizes as substitutes for barrels and drums. The rectangular design allows the containers to take up 33% less room than barrels, drums and other cylindrical containers which have similar net capacity.

These patented containers have been tested by European railroads and other shipping media abroad. **File 1798.**

• A U.S. licensee is sought by a Belgian company to produce its ozone generators which are used for air purification and water treatment.

The ozonizers for air purification purposes come in various sizes and shapes for small and large rooms, and areas. Electrical current consumption ranges from 5 to 30 watts per hour. The ozonizer used in treating drinking water uses from 30 to 35 watts per hour. **File 1799.**

• A South American company is interested in an arrangement with a U.S. firm for the production of its patented magnetic filing system in the U.S.

The company states that through this magnetic system 150,000 cards per hour can be retrieved from the files in any sequence desired. The company claims that its equipment is cheaper to manufacture than more mechanized systems, and is ingeniously simple. It will furnish technical assistance and the specialized equipment needed for initial production of this system which won a gold medal at the recent London International Inventions Exhibition. **File 1800.**

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

Venture to expand steel plant proposed

Austrian firm interested in making heavy, medium sized machinery

VOEST—Vereinigte Oesterreichische Eisen & Stahlwerke A. G. (United Austrian Iron & Steel Works), Austria's largest steel company with annual sales of approximately $330 million, is interested in arrangements with American manufacturers in several fields.

VOEST desires licenses from American firms in heavy and medium sized machinery (custom made and serial products), road building equipment, materials handling and storage equipment, packaging machinery, plastics working machinery, and plastic building materials. Virtually any product made of steel will be considered.

Beyond straight licensing, VOEST has indicated it would also discuss assembly agreements and 50-50 joint ventures. In discussions, VOEST has also brought up the possibility of a division of production programs, particularly with re-

spect to metalworking machines, between an American firm and itself. Under such an arrangement, VOEST envisages manufacturing on account for the U.S. firm product lines which are normally sold only in small quantities. It would also be prepared to supply components to an American firm.

Although nationalized, VOEST is managed like a private company. Almost 60% of its annual sales are made abroad. The capacity of its steel mill amounts to 1.6 million metric tons of pig iron and 2.2 million tons of ingots annually (total Austrian ingot capacity is 4 million tons). In addition, VOEST operates extensive fabricating departments, including an efficient machinery shop and steel construction facilities. The firm employs 22,000 in its main plants and an additional 3,000 in its subsidiaries (Wiener Brueckenbau & Eisenkonstruktions A. G. and Huette Krems Ges.m.b.H.).

Write: VOEST, Abt. VF 5, P.O. Box 2, A-4010 Linz/Donau, Austria. WTD. **P-70104.**

Industrial areas in Germany available for development

A recently published list of industrial areas in the Lower Weser River Valley of northern Germany, is available to U.S. firms considering the establishment of new plants overseas.

The German language document contains descriptive details on the cities of Bremen, Bremerhaven, and Delmenhorst as well as the counties of Wesermuende, Osterholz, Verden, Hoya, Oldenburg and Wesermarsch. All of these areas are directly accessible to ocean going vessels at, or in the vicinity of, the Bremen/Bremerhaven ports.

Companies desiring specific information should **write:** Wirtschaftskammer Bremen, 2 Balgebrueckstrasse, 28 Bremen, Germany, giving the name of the city or county of particular interest. **P-70055.**

Norwegian plastic company seeks to broaden activities

A major Norwegian manufacturer of pleasure boats and other plastic products wishes to diversify its production by concluding licensing agreements with American firms. The firm wants to produce items such as plastic toys, fishing tackle, artificial baits, playground equipment, and related articles.

Write: Peter Baekkelund, Kommanditselskapet Selco A/S & Co., Mustads vei 1, Lilleaker, Oslo 2, Norway. WTD. **P-70081.**

Three British firms want U.S. licenses to produce goods

Machine tools, plastic, steel products are subjects

Three British firms seek U.S. licenses to manufacture fabricated steel products, machine tools and injection molded plastic products.

A license to manufacture injection molded plastic products is sought by a British company. Currently, the firm specializes in the injection molding of nylon and other plastic materials for the hardware and engineering industries.

Write: Fern Plastic Products Ltd., Acme Works, Cross St. North, Wolverhampton, Staffordshire, England. **P-70106.** WTD.

A British manufacturer of fork lift truck attachments, earth moving buckets, barrel handling equipment and chemical processing machinery seeks licenses to make related mass production products involving welded steel fabrications.

The firm has over 200 employees and is a subsidiary of a large British holding company.

Write: Walton and Co. (Wolverhampton) Ltd., Macrome Road, Tettenhall, Wolverhampton, Staffordshire, England. **P-70109.** WTD.

Burrows and Smith, Limited, precision engineers and machine tool makers, are interested in obtaining a licensing arrangement with a U.S. machine tool manufacturer to produce in the United Kingdom machine tools up to two tons.

The firm presently manufactures gear shaping machines, drill grinding machines, vertical milling machines, diesel engine components, and various other precision components such as flywheels, clutch plates, starter ring gears, shafts and work-spindles, cams and backplates. Production is for the trade, and the firm does not manufacture on its own behalf. The plant includes reconditioning, production, toolroom, heat treatment, painting, and finishing facilities, and employs approximately 250 persons. Arrangements have been made with three local foundries to supply castings.

Copies of a booklet giving a complete breakdown of the production tools and machinery which make up the plant's capabilities, a list of firms which have been customers, and illustrations of some typical products, can be obtained from the Office of International Investment, Department of Commerce, Washington, D.C. 20230, (BIC-878).

Write: Burrows and Smith Ltd., Saffron Lane, Leicester, LE2 6UH, England. **P-70110.** WTD.

New Zealand manufacturer looking for license to make food processing machinery

A New Zealand firm, which currently fabricates stainless steel products and supplies machinery to the New Zealand dairy industry, plans to broaden its activities to enable it to offer a wide range of commercial food products machinery, design engineering, and installation services to New Zealand food processors.

The firm, established in 1890, would like to negotiate with U.S. firms willing to furnish both drawings for the manufacture of their food processing equipment in New Zealand and technical assistance for major installations on a consulting fee basis.

Write: Mr. R. A. Greenfield, South Island Dairy Association Ltd. (SIDA), P.O. Box 6020, Christchurch, New Zealand. WTD. **P-70105.**

German firm wants license for sewage purification items

A German manufacturer of sewage purification and sewer cleaning equipment seeks licenses to make additional products in this field of an advanced nature.

The company is particularly interested in the production of time and labor saving machinery for municipal and industrial applications.

Write: Eichoff, Fahrzeugbau KG., Postfach 20, 3285 Schwalenberg/Lippe, Germany. **P-70108.** WTD.

Ivory Coast interested in establishing pulp mill

The Government of the Ivory Coast seeks a potential U.S. investor to undertake a study to determine the feasibility of establishing a pulp mill, whose products would be utilized with other wood pulps in the domestic or foreign manufacture of paper and cardboard. Reportedly, there are extensive timber stands around the port of San Pedro.

Write: Mr. M. Ahou Doumbia, Directeur du Developpement Industriel, Ministere du Plan, B.P. 649, Abidjan, Ivory Coast. **P-70101.**

Seminar to study impact of trade developments on U.S.

Trade specialists to be featured at AMA session; second meeting will review South African outlook

Lawrence A. Fox, Deputy Assistant Secretary for International Trade Policy, U.S. Department of Commerce, and other highly experienced business and government representatives will discuss the latest trade developments and their impact on U.S. business at an American Management Association seminar in New York next month.

The three-day orientation seminar entitled, Current Tariff Developments and Controls Affecting U.S. Trade, is scheduled for Sept. 8-10 in AMA headquarters, New York City. Topics to be discussed include: major trends in tariff negotiations; the new importance of quotas; anti-dumping legislation; economic retaliation by the U.S.; the impact of a U.S. import surcharge; under what circumstances might U.S. companies be granted export rebates; and should a greater emphasis be placed on foreign investment over the next few years.

Mr. Fox's topic for the seminar will be, "U.S. Position in the World Economy; General Review of Trade Relationships and Policies." Harold T. Lamar, Professional Staff, House Ways & Means Committee, U.S. House of Representatives, and Howard L. Worthington, Director, Office of International Trade, U.S. Department of State, will discuss, "A Trade Policy For the Seventies."

Dr. Harald B. Malmgren, Assistant Special Representative for Trade Negotiations, Executive Office of the President, will discuss the topic, "International Trade Policy: Non-Tariff Barriers." Nine business speakers are also on the agenda.

Second seminar scheduled

AMA has also scheduled a second orientation seminar on South Africa for its headquarters in New York. This meeting is called—South Africa: The Marketing and Distribution Center for Africa's Southern Hinterland. Discussions will include: the South African investment climate and business opportunities; trends of movement of U.S. capital; new government regulations; banking and the money market; labor conditions; and taxation. Case studies will cover U.S. companies operating successfully in South Africa.

For additional information **contact:** American Management Association, Inc., The American Management Association Building, 135 West 50th St., New York, N.Y. 10020. Tel. 212-586-8100 (TWX 710-581-6530).

N.Y. office gives investment data on Australian state

U.S. companies interested in licensing and investment in Australia can obtain assistance from the New South Wales Centre, an investment office maintained by the Government of New South Wales in New York. Established to promote and facilitate investment, the Centre is equipped to provide prospective U.S. investors with information regarding costs, markets, resources, taxes and potential business partners in New South Wales.

As part of its program, the Centre regularly receives licensing proposals from New South Wales firms seeking contacts with U.S. companies. The following nine opportunities indicate the diverse range of products and processes in which New South Wales firms have expressed an interest.

Licenses are sought to manufacture sulphamic acid (A), fertilizer, agricultural formulations and additives for fertilizer pellets (B), know-how and machinery for rigid PVC sheeting utilizing the lamination process (C), para and urea formaldehyde, corrugating starch technology and soluble resins and adhesives (D) and new products in domestic and clothing fasteners, including a lamination process that eliminates sewing (E).

New South Wales companies are also interested in the production of chlorine derivates or any industrial chemicals requiring a medium range of capital plant expenditures (F), surface active agents, floculants, and synthetic organic polymers for removal of solids from liquid-solid mixtures, particularly in the paper and mining industry (G), activated carbons, polyesters and special types of synthetic resins (H), and business and office supplies, plus identification systems (I).

To obtain further details about any of the proposals outlined above **write:** Mr. Frank Rule, director, New South Wales Centre, 680 Fifth Ave., New York, N.Y. 10019 referring to the identifying letter following each proposal. **P-70103.**

Austrian producer seeks U.S. partner

An Austrian manufacturer of copper and copper alloy products seeks financial participation from a U.S. investor to modernize and expand its operations. While the firm has gradually updated its facilities in recent years, additional equipment and new techniques appear desirable.

Established nearly 100 years ago, the company has a plant about 20 miles south of Vienna, 220 workers and a staff of 25 persons. An additional 35 employees work at the Vienna head office where there is a warehouse and sales office.

Present production is reported to be approximately 3,200 metric tons of rods, wire and hot stampings (about 80% copper alloy), and 1,800 tons of tubes (about 60% copper alloy). The annual turnover in 1968 was close to $5 million and is expected to exceed this amount in 1969.

Write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. **P-70107.**

Italian firm wants license to make fusible interlinings

A leading Italian manufacturer of interlinings is interested in a license from an American firm to produce fusible interlinings.

This semi-finished product is sought in an effort to reduce production costs in the Italian ready-made clothing industry. The Italian firm currently produces animal hair interlining used in men's and women's clothes.

Write: S.A.S. Texil di G.P. Quaglino & C., Via Garavoglia 9/11, 13046-Livorno Ferraris (Vercelli), Italy. WTD. **P-70094.**

Belgian machinery producer interested in arrangement

National Electro- Constructions S.A., manufacturer of milking, farm and photocopying machines as well as specialized types of paper, is interested in obtaining licenses from American firms, especially small and medium sized companies, for the manufacture of products compatible with its present lines.

Write: Louis de Marcken, National Electro-Constructions S.A., 115 Chaussee de Namur, Wavre, Belgium. WTD. **P-70086.**

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit number and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

011 Field crop farms

01130—MOZAMBIQUE—Five thousand to fifteen thousand metric tons of soybeans required for processing into vegetable oil, oilcakes for domestic consumption, export. Firm desires to contact leading U.S. exporters of soybeans. C.i.f. Lourenco Marques prices only must be quoted. FASOL-Fabricas Associadas de Oleos, SARL (Attn: dir. Joan de Carvalho (importer, manufacturer), P.O. Box 1128, Lourenco, Marques. WTD 7/69.

201 Meat products

20111 — MEXICO — Slaughtering plants: cattle, hogs, sheep; meat packing (slaughtering) plants. Complete slaughtering plant to process 150 cattle daily. Correspondence requested in Spanish. Asociacion Ganadera de Acayucan (importer), Palacio Municipal, Acayucan. Veracruz. WTD in preparation.

204 Grain mill products

20411—MALAWI—Wheat flour, in 200 lb. or 120 lb. bags. Prices requested in £ sterling, c.i.f. Beira. Mulji Mathuradas (importer, distributor), Haile Selassie Rd., P.O. Box 81, Blantyre, WTD. 7/69.

221 Broad woven fabric mills, cotton

● **22100—CEYLON**—87,500 yards canvas, various colors. Bids to be mailed to the Chairman, Tender Board Department of Government Stores, P.O. Box 418, Colombo, Ceylon. Bid deadline is Sept. 30. Tender documents are available from the Commercial Secretary, Embassy of Ceylon, 2148 Wyoming Ave., NW. Washington, D.C. 20008 (Telephone 202, 483-4025.

22110—SWITZERLAND—Cotton chiffon and calico fabrics for insulation of tubes, pipe lines. Annual need about 60,000 yds. GYSKO, Korrosionsschutz und Abdichtungen, Attn: George Wick (export), 8808 Pfaeffikon / SZ. WTD in preparation.

22117—MALAWI—Broadwoven cotton fabrics for dressmaking; bright patterns, plain; including factory seconds, off-cuts, closed lines. Samples requested. Price in £ sterling, c.i.f. Beira. Mulji Mathuradas (importer, distributor), Haile Selassie Rd., P.O. Box 81, Blantyre. WTD 7/69.

224 Cotton fabric for destination blinds

● **22400—CEYLON**—266,200 yards cotton fabric for buses' destination blinds. Bids to be mailed to the Chairman, Tender Board, Ceylon Transport Board, Narahempita, Colombo, Ceylon. The closing date for bids is Sept. 15. Tender documents are available from the Commercial Secretary, Embassy of Ceylon, 2148 Wyoming Ave., NW., Washington, D.C. 20008. (Telephone: 202, 483-4025.)

225 Knitting mills, products

22522—FRANCE—Men's socks, made of manmade fibers; in new condition but rejected for defaults such as holes, running stitch, with elastic hem undamaged by scissor. Sompayrac, Rieusset & Cie. (manufacturer), 81-Les Salvages. WTD 8/69.

261 Pulp mills, products

26112 — GERMANY — Pulp, unbleached, semi bleached fully bleached, primarily sulfate pulp, hardwood, softwood and mixed qualities. Requests price quotations c.i.f. Hamburg or Bremen. Bremer & Schmitt (importer, agent), 5 Koeln-Merheim, Siegener Strasse 12. WTD 6/69.

26112—UGANDA—Kraft and sulphite pulp required for paper mill. Presently producing some 4,000 tons per annum, increasing to 8,000 tons per annum next year. Papco Industries Ltd. (manufacturer), M.60 Kimaka Rd., P.O. Box 620, Jinja. WTD 7/69.

263 Paperboard mills, products

26314—GERMANY—Kraftliner board for the production of corrugated cardboard, sulfate paperboard. Requests price quotations c.i.f. Hamburg or Bremen. Bremer & Schmitt (importer, agent), 5 Koeln-Merheim, Siegener Strasse 12. WTD 6/69.

281 Industrial chemicals

● **28100—KOREA**—Silicagel A (Industrial Use), 7 metric tons. CO_2 removal (absorption) from air normal operation condition. Type: BASF Silicage A (or equivalent). Irregular or bead shape, 3-6 mm. grain size. Supplier must submit test report and name and address of purchaser. Unit price and total price must be quoted separately on FOB, C and F, and CIF basis. Earliest possible delivery is desired. Tender #KFX-9159-N. Bid deadline is Sept. 1. Address all bids to the Office of Supply, Government of the Republic of Korea. The envelope containing the bid should be sealed and

marked on the left hand corner with the OSROK invitation number and date of bid opening. Complete details IFB available. Chemicals Division, BDSA-665. U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone 202, 967-3465). Copies are also available for review at the Department of Commerce Field Office, 11444 Federal Building, 450 Golden Gate Ave., San Francisco, Calif. 94102. ★(Telephone: 415, 556-5868).

28180 — FINLAND — Industrial organic chemicals. Bang & Co. Oy, Attn: Aulis Tinnila, Chemical Dept. (importer, agent), P.O. Box 10079, Helsinki 10. WTD 9/68.

282 Synthetic materials

28241—FRANCE—Polyamide fibers: nylon yarn, dyed, for socks manufacturing, preferably second choice, saleable waste, remnants, etc.; sizing 2/40; 2/70, 2/100; 2/150. Sompayrac, Rieusset & Cie. (manufacturer), 81 Les Salvages. WTD 8/69.

283 Drugs

28340—FINLAND—Drugs, pharmaceutical preparations for human use. Bang & Co. Oy, Attn: Aulis Tinnila, Chemical Dept. (importer, agent), P.O. Box 10079, Helsinki 10. WTD 9/68.

● **28300—REPUBLIC OF TUNISIA**—The Pharmacie Centrale de Tunisie, Avenue Charles, Nicolle 51, El-Menzah, Tunis has issued an invitation for bids for the supply of drugs and pharmaceuticals. This invitation bears the reference number HG/PR/RS/MPi/70 n° 24379 and calls for bids on 258 items including acetylsalicylic acid granules USP, 25,000 kgs.; absolute alcohol 4,000 liters; calcium gluconate 3,000 kgs.; chloral hydrate 150 kgs.; chloroform 300 kgs.; phenoldutazone for injection 100 kgs.; sulfadiazine, 3.000 kgs.; vitamine B_{12} (cyanocoblamine) U.S.P. 1,500 kgs.; zinc oxide 1,100 kgs.; stearic acid 350 kgs.; essence of eucalyptus 135 kgs.; essence of lavender 10 kgs.; The bid deadline is Sept. 30. The invitation is in French and correspondence is preferred in French. Copies of this tender are available from the Chemicals Division, BDSA, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: 202-967-3394). Copies of this tender are also available from the U.S. Department of Commerce, San Francisco Field Office, Federal Building, 450 Golden Gate Ave., San Francisco, Calif. 94102. ★(Telephone: 415, 556-5930).

● **28341—TUNISIA**—The Pharmacie Centrale de Tunisie, Avenue Charles Nicolle, 51, El-Menzah, Tunis has issued an invitation for bids for the supply of drugs and pharmaceuticals.

This invitation bears the reference number NH/SB/PCT/No. 25112/Achats Hopitauz calls for bids on 256 items including ergatamine tartrate tablets, 1,500 bottles; oxacillin 1 g. injectable ampoules, 50.000; chloramphencol suspension ampoules, 6.500; cortisone 250 mg. I.M. injectable, 4.000; Equanil 400 mg. 1,500; Dextran 6%, 500 ml. bottles, 15,000; penicillin sodium G 500.000 U, 600.000 vials; penicillin sodium G 1.000.000 U. 1.750.000 vials; penicillin sodium G 5,000,000 U 90,000 vials; streptomycin solution 4 ml-1 gm. 1.250,000 vials.

The bid deadline is Sept. 9. The invitation is in French and correspondence is preferred in that language. Copies of the tender are available from the Chemicals Division, BDSA, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone. 202-967-3394).

301 Tires, tubes

● **30100—BURMA**—Bids are requested by the Chairman, Public Works Corp., 60 Shwedagon Pagoda Road, Rangoon, Burma by Sept. 10, for the following materials: 4,498 sets of tires, tubes and flaps for motor cycles, passenger vehicles, trucks, buses, lowbed loaders, scrapers and motor graders. Tender No. ETT-1PWC/69-70. Chemicals Division, BDSA-655, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone. 202, 967-3529). Copies are also available for review at the Department of Commerce Field Office, 11444 Federal Building, 450 Golden Gate Ave., San Francisco, Calif. 94102. ★(Telephone: 415, 566-5868).

311 Leather tanning, finishing

31111—MEXICO—Tanneries, leather. Complete tannery plant to process 100 cattle skins daily. Correspondence requested in Spanish. Asociacion Ganadera de Acayucan (Cattle Association of Acayucan) (importer), Palacio Municipal, Acayucan, Veracruz. WTD in preparation.

317 Handbags, personal leather goods

31710—MOROCCO—Ladies evening bags, billfolds, wallets, leather belts for men, women. Correspondence requested in English & Spanish. J. T. Chanrai (Gibraltar) Ltd. (importer, distributor, retailer), 122-128 Main St., Gibraltar. WTD 7/69.

331 Steel mill products

● **33100—AUSTRALIA**—Stainless Steel Tie Rods, 8 of size 32 ft. long x 6 inches diameter; Tender "Specification 50/K for the Supply of Eight Stainless Steel Tie Rods"; bid deadline extended to Oct. 1. Copies of tender documents available for $2 from Controller of Stores, The State Electricity Commission of Western Australia, 132 Murray St., Perth, Western Australia 6000.

● **33100—BRAZIL**—Steel pipes with internal diameter of 3.9 meters; an unspecified amount. Copies of tender documents available from COMASP Officer, Av. Paulista 1938, 8th Floor, Sao Paulo, Brazil.

The new look

Exporters will note that the World Trade Opportunities Section has taken on a "new look."

Opportunities are now listed under a five-digit SIC classification number immediately under the previous three-digit number. Purpose: to make it easier to pinpoint specific commodities.

The five-digit SIC classification system is used extensively by the Bureau of Census, Dun and Bradstreet, trade associations and many state and local agencies, and is thus familiar to most American businesses.

● **33100—INDIA**—1,000 metric tons of cold rolled grain-oriented electrical steel strip; Tender No. PPX/STL/1225; bid deadline Sept. 29. Purchase Officer (1), Heavy Electrical Ltd., Bhopal. Copies of tender documents available from India Supply Mission, Washington, D.C. 20008.

● 3,000 wheelsets, broad gauge, 20 ton axle load, completely assembled, suitable for roller bearing axle boxes. Tender No. GP-50 of 1969; bid deadline Sept. 8. Director Railway Stores, New Delhi. Copies of tender documents available from India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C. 20008.

● **33100—IRAN**—299 tons of black & white iron sheets of various sizes. Tender Nos. 206, 207 & 232/48; bid deadline Sept. 17. Iranian State Railways, Tehran. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: 202, 967-2364).

● 535 pieces of high pressure seamless pipe of various dimensional groups for boiler. Tender No. 685/48; bid deadline Oct. 6. Iranian State Railways, Tehran. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: 202, 967-2364).

● **33100—NEW ZEALAND**—Railroad material including: 11,375 tons of steel rails; 26,000 fishplates; 115,000 fishbolts and nuts; 115,000 fishbolt spring washers; 740,000 screwspike spring wasters; 1,336,000 railclips; 316,000 dogspikes; 1,770,000 screwspikes; and 240,000 bedplates; Tender No. S.69/38; bid deadline Sept. 17. New Zealand Railways, Wellington. Copies of tender documents available from New Zealand Trade Commissioner, 1145 19th St., NW., Washington, D.C.

● **33100—PAKISTAN**—10,500 feet of either seamless line pipe 18 inches outside diameter and .438 inches wall thickness or E.R.W. line pipe of same dimension; Tender No. 1234/69; bid deadline Sept. 15. Sui Northern Gas Pipelines Ltd., Lahore. Copies of tender documents available from Iron & Steel Division (BDSA-669), U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: 202-967-2364).

● **33100—SUDAN**—86,000 corrugated galvanized iron sheets of various sizes; Tender No. SS/L/89/69-70; bid deadline Sept. 18; 4,618 mild steel plates & sheets of various sizes; Tender No. SS/L/93/69-70; bid deadline Sept. 22; 800 tons of mild steel rounds, 420 tons of mild steel angles, and 156 tons of mild steel flats—all of various sizes; Tender No. SS/L/92/69-70; bid deadline Sept. 22. Controller of Stores, Ministry of Works, Khartoum. Copies of tender documents available from Iron & Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: 202-967-2364).

33127—FRANCE—Cold-rolled stainless steel sheets ranging in thickness from 0.020 to 0.160 decimals of an inch. Quantity required approx. 180 metric tons monthly. Self Inox (importer, distributor), 6 Rue Desargues, 75-Paris 11. WTD in preparation.

33160—SAUDI ARABIA—375 metric tons of T sections, size 70 x 70 x 8 mm and 150 metric tons of angle sections, size 50 x 50 x 5 mm, mild steel, Thomas Quality. Requests c.i.f. Jidda prices at earliest possible delivery time

as items needed for airport fencing at Qassim, Jizan, Bisha, Abdallah Said Bugshan (contractor, importer), P.O. Box 378, Jidda Cable address. Bugshan, Jidda. WTD in preparation.

335 Rolling, drawing, extruding of nonferrous metals

● **33512—IRAN**—Supply of 1,400 kgs. copper pipe. Tender No. 686/48. Bid deadline, Oct. 4. Contact Iranian Economic Mission, 2233 Wisconsin Ave., N.W., Washington, D.C. 20007.

● **33521 — TRINIDAD** — Aluminum cable, overhead transmission 32¼ miles, two sizes. Also fluorescent fittings, straps for linesman belts and power fuse links. Bid deadline Sept. 26. Tender Nos. 1779 thru 1783 available from Purchasing Officer, Trinidad and Tobago Electricity Commission, P.O. Box 121, Port of Spain.

342 Cutlery, hand tools, general hardware

34211—GERMANY—Forks, hoes, rakes, weeders, axes, hatchets; hedge, grass shears, pruners. Requests price quotations c.i.f. European ports or f.o.b. American ports. E. P. H. Schmidt & Co. GmbH., (importer, agent), 58 Hagen/Westf., Postfach 3320. WTD 6/69.

343 Heating apparatus, plumbing fixtures

34320—GERMANY—Lawn hose nozzles, lawn sprinklers. Requests price quotations c.i.f. European ports or f.o.b. American ports. E. P. H. Schmidt & Co. GmbH. (importer, agent), 58 Hagen/W., Postfach 3320. WTD 6/69.

346 Metal stampings

34610—MALAWI—Enameled holloware, plates, dishes, pots, mugs; popular household sizes; camping-style varieties. Prices requested in £ sterling; c.i.f. Beira. Requests catalogs, samples. Mulji Mathuradas (importer, distributor), Haile Selassie Rd., P.O. Box 81, Blantyre. WTD 7/69.

351 Engines, turbines

35192—THAILAND—Diesel engines, marine, industrial, 40-150 hp., 3,000-4,000 rpm. Requests c.i.f. Bangkok prices, catalogs, technical literature. The Uthai Import and Export Co., Ltd. (importer, distributor, agent), 22/8 Soi Pramote, Suriwongse Rd., Bangkok. WTD 8/69.

352 Farm machinery

35227 — GERMANY — Hedge trimmers, shears, lawn edgers, lawn mowers including hand power, lawn sweepers. Requests price quotations c.i.f. European ports or f.o.b. American ports. E. P. H. Schmidt & Co. GmbH. (importer, agent), 58 Hagen/Westf., Postfach 3320. WTD 6/69.

355 Special industry machinery

35512—URUGUAY—Complete processing line for production of cookies; equipment for packaging cookies, biscuits; complete equipment for processing chocolate; complete equipment for production of glazed, candied fruit. FAMOSA (distributor, manufacturer), Leandro Gomez 1145, Paysandu, Depto. de Paysandu, Montevideo. WTD in preparation.

35513—MEXICO—Complete plant for canning, bottling fruit, vegetable juices. Correspondence requested in Spanish. Mr. Rafael Jimenez (manufacturer), Lorenzo Boturini 258, Mexico 8, D.F. WTD in preparation.

35531—TURKEY—Coating machinery for use in finishing plywood products; capacity desired is 3,000 cubic meters per day. Yeni Kontrplak Fabrikasi A.S. (manufacturer), Silahtaraga Caddesi No. 108, Eyup, Istanbul. WTD 8/69.

35590 — SWITZERLAND — Machinery, equipment used for insulation of pipe lines. Machinery, tools, other similar equipment used for insulation of tubes; especially pipe lines with plastic, similar materials. GYSKO, Korrosionsschutz und Abdichtungen, Attn: George Wick (export), 8808 Pfaeffikon/SZ. WTD in preparation.

35591—THAILAND—Complete plant machinery to manufacture granular-type ethylene and pvc for artificial leather industry, capacity 100,000 tons per annum. Mr. Virat Euarchukiati, Amico Co. Ltd., (importer, manufacturer), G.P.O. Box 2368, Bangkok. WTD in preparation.

35595 — PORTUGAL — One clayworking flower pot making machine. Manuel Ferreira Regalado, Fabrica de Ceramica de S. Miguel (manufacturer), S. Miguel, Ovar, Portugal. WTD in preparation.

366 Communication equipment

● **33600—KENYA**—Supply of an automatic telephone exchange, 3 manual boards, one set trunk barring/route, 10 sets automatic tielines, battery and charger and telephone sets. Refer-

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 843-2386.

ANCHORAGE, ALASKA, 99501, 306 Loussac-Sogn Bldg. Area Code 907 Tel. 272-6531.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304 Tel. 343-6181 Ext. 375 and 376.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307 Tel. 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808 Tel. 546-5977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713 Tel. 226-4231.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 11 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Bldg., 1031 S. Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612 Tel. 725-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212 Tel. 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912 Tel. 232-4321.

SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206 Tel. 583-5615.

ence No. 5013/69, bid deadline Sept. 10. Tender documents may be obtained from the Overseas Purchasing Division, East African Railways and Harbours 4, Millbank, London, S.W.1.

369 Electrical machinery, equipment, supplies

36930—SWITZERLAND — Electrocardiographs, electromedical apparatus except X-ray; 220 volts, 50 cycle. Zuhlke & Brandli AG (importer, distributor), Scheuchzerstrasse 50, 8006 Zurich. WTD 7/69.

372 Aircraft, parts

37213—UGANDA—Light airline transport aircraft for commuter work. Bawa Travel Service Ltd. (importer), P.O. Box 16, Tororo. WTD in preparation.

379 Transportation equipment

37910—FRANCE—House trailers, automobile, small and medium sizes. Martin (Etablissements Roland) (distributor, manufacturer, retailer), Avenue de Strasbourg, 17- Chatelaillon, Charente-Maritime. WTD 7/69.

381 Engineering, laboratory, scientific, research instruments

38112—AUSTRALIA—Scientific, research instruments, specifically three-channelled tachistoscopes for use in visual perception studies, testing of mental retention times in field of psychology. H. B. Selby & Co. Pty. Ltd. (importer, distributor, manufacturer), 61-65 Epping Rd., P.O. Box 121, North Ryde, Sydney, N.S.W. 2113. WTD in preparation.

38112—SWITZERLAND—Blood testing, analysis apparatus. Zuhlke & Brandli AG (importer, distributor), Scheuchzerstrasse 50, 8006 Zurich. WTD 7/69.

384 Surgical, medical, dental instruments

38410—BRAZIL—Surgical saws for plaster. Ed. Lewkowicz & Cia. Ltda. (importer, distributor, agent), Rua da Quitanda 19, 6° andar sala, 603 Rio de Janeiro, ZC-00 GB. WTD 7/69.

38410—FRANCE—Surgical and medical instruments and apparatus, primarily up-to-date equipment suitable for utilization in France. Direct purchase and agency. Porges, S.A. (importer, distributor, manufacturer), 24- Sarlat, Dordogne. WTD 7/69.

● **38410—INDIA**—Supply of 54 radium needles of various lengths from 19 mm to 42 mm. Also 16 radium tubes from 10 to 25 mg activity. Tender No. ES-6/207/36/039/Cell-695, bid deadline Sept. 3. Requests by the Director General, Supplies and Disposals, Jeevantara Bldg., Parliament St., New Delhi 1, India.

Terms and Specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-2939). Copies also available for review at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102.★ (Telephone: 415-556-5868).

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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395 Pens, pencils, office, artists' materials

39510—MOROCCO—Pens, pencils, pen points, fountain pens, ballpoints and other type pens. Correspondence requested in English & Spanish. J. T. Chanrai (Gibraltar) Ltd. (importer, distributor, retailer), 122-128 Main St., Gibraltar. WTD 7/69.

396 Costume jewelry, novelties, buttons, notions

39610 — MALAWI — Imitation jewelry, including bracelets, earrings, rings, brooches. Mulji Mathuradas (importer, distributor), Haile Selassie Rd., P.O. Box 81, Blantyre. WTD 7/69.

39610—MOROCCO—All kinds of notions, novelties; cufflinks, tie-pins, money clips. Correspondence requested in English & Spanish. J. T. Chanrai (Gibraltar) Ltd. (importer, distributor, retailer), 122-128 Main St., Gibraltar. WTD 7/69.

399 Manufacturing industries

39993—MOROCCO—Cigar, cigarette lighters. Correspondence requested in English & Spanish. J. T. Chanrai (Gibraltar) Ltd. (importer, distributor, retailer), 122-128 Main St., Gibraltar. WTD 7/69.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

201 Meat products

20111—FRANCE—Meat packing plant products, whole carcass beef and fabricated cuts, other categories of meats of good quality. Claude-Bernard Pujos (distributor, agent), 18 Place de la Daurade, 31- Toulouse. WTD 7/69.

222 Broad woven fabric mills, manmade fiber, silk

22216—MOROCCO—Broad woven fabric mills, synthetic and nylon fabrics for women's clothing, in remnants of one to ten yards. Correspondence requested in French & Spanish. Leon A. Sananes (agent), 53 Rue Goya, P.O. Box (Princip) 252, Tangier. WTD 7/69.

223 Broad woven fabric mills, wool

22312—MOROCCO—Broad woven fabric mills, wool. Tergal material (needs no ironing) made of 80% wool for men's suits, in remnants of ten to twenty yards. Correspondence requested in French & Spanish. Leon A. Sananes (agent), 53 Rue Goya, P.O. Box (Princip) 252, Tangier. WTD 7/69.

287 Agricultural chemicals

28790—FRANCE—Agricultural pesticides, miscellaneous agricultural chemicals including fungicides, herbicides, phytoactin, soil conditioners, fertilizers. Correspondence requested in French. Union Agricole du Sud-Ouest (importer, distributor, agent), 62 Avenue H. Farbos, 40- Mont-de-Marsan, Landes. WTD 7/69.

289 Chemical products

28993 — GUATEMALA — Water softening compounds. Protecnico (agent), 6a. Avenida 2-43, Zona 9, Guatemala City. WTD 7/69.

332 Iron, steel foundries

33213—GUATEMALA—Cast iron soil pipe and fittings. Protecnico (agent), 6a. Avenida 2-43, Zona 9, Guatemala City. WTD 7/69.

342 Cutlery, hand tools, general hardware

34291 — SWITZERLAND — Marine hardware, accessories, land hailers for pleasure boats. Silver Menasse (agent), 24 Ave. C. F. Ramuz, 1009 Pully. WTD in preparation.

349 Fabricated metal products

34990 — SWITZERLAND — Marine hardware, accessories for pleasure boats. Silver Menasse (agent), 24 Ave. C. F. Ramuz, 1009 Pully. WTD in preparation.

353 Construction, mining, materials handling machinery, equipment

35318—BRAZIL—Road construction machinery, equipment; graders, scrapers, dozers, shovel loaders. Romaq Comercio e Importacao Ltda. (importer, distributor, agent), Rua Santa Luzia, 799, gr. 403, Rio de Janeiro, GB, ZC-39. WTD 2/69.

35351—IRAN—Conveyors, conveying systems used in industrial plants. Quantities, specifications to be determined through direct correspondence. General Tools Co., Ltd. (importer, distributor, agent), 345 North Villa Ave., Tehran. WTD 7/69.

35370—IRAN—Industrial fork lifts used in industrial plants. Quantities, specifications to be determined through direct correspondence. General Tools Co., Ltd. (importer, distributor, agent), 345 North Villa Ave., Tehran. WTD 7/69.

362 Electrical industrial apparatus

36220—NEW ZEALAND—Industrial instrumentation and control equipment, namely temperature controls, automatic start and shut-off equipment, time controls, flow metering, volume and level controls. Exclusive agency. Industrial & Electrical Products Co. (importer, distributor, agent), Mr. G. John Farmer, dir., P.O. Box 17-072, Green Lane, Auckland. WTD 7/69.

365 Radio, television receiving sets

36515—VENEZUELA—Amplifiers for radios, record players; agency for all Venezuela. Seijiro Yazawa Representaciones Japonesas de Venezuela (importer, distributor, agent), Apartado 3179, Caracas, Edificio Acrich, Madrices a Ibarras No. 10, Caracas. WTD 7/69.

36621 — VENEZUELA — Marine transmitters; agency for all of Venezuela. Seijiro Yazawa Representaciones Japonesas de Vene-

zuela (importer, distributor, agent), Apartado 3179, Caracas, Edificio Acrich, Madrices a Ibarras No. 10, Caracas. WTD 7/69.

36622 — SWITZERLAND — Marine radiotelephone equipment, for pleasure boats. Silver Menasse (agent), 24 Ave. C. F. Ramuz, 1009 Pully. WTD in preparation.

36624—SWITZERLAND—Marine navigational aids (compass, automatic pilot, related instruments) for pleasure boats. Silver Menasse (agent), 24 Ave. C. F. Ramuz, 1009 Pully. WTD in preparation.

36625 — SWITZERLAND — Marine radar equipment, for pleasure boats. Silver Menasse (agent), 24 Ave. C. F. Ramuz, 1009 Pully. WTD in preparation.

373 Ship building, repairing

37322 — SWITZERLAND — Power boats, above 30 ft., fiberglass. Silver Menasse (agent), 24 Ave. C. F. Ramuz, 1009 Pully. WTD in preparation.

382 Instruments for measuring, controlling, indicating physical characteristics

38212—GUATEMALA—Water meters. Protecnico (agent), 6a. Avenida 2-43, Zona 9, Guatemala City. WTD 7/69.

384 Surgical, medical, dental instruments

38410—NEW ZEALAND—Hospital operating room tables and equipment; operating room lighting equipment, special chairs of ear, nose and throat work. Interest does not include surgical instruments such as scalpels, forceps, suture needles. Exclusive agency. Industrial & Electrical Products Co. (importer, distributor, agent), Mr. G. John Farmer, dir., P.O. Box 17-072, Green Lane, Auckland. WTD 7/69.

Little things make the difference

"Quite often the difference in being successful and not being successful in a foreign market is that the successful firm is aware of and paying attention to the little things.

"These can be:

"Handling all overseas correspondence as quickly as possible;

"The ability to be understood in writing;

"Making certain that the sales literature and technical bulletins are in the language of the country;

"And tailoring the product to the customer's needs.

"To be successful in international trade takes more than a product and a desire to sell it. Often it is these little things that can make the big difference in overseas marketing."

—V. J. Borland, Export Manager, Quaker State Oil Refining Corp.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

GREECE—In a joint venture two U.S. firms, Airways Engineering Corp. and Burns & Roe, recently signed a contract with the Government of Greece commissioning the preparation of a master plan and a feasibility report on the **expansion and modernization of the Athens airport.** The contract calls for completion of the assignment in ten months.

Twenty-six qualified firms, including seven American, submitted bidding proposals last October. The two U.S. firms were chosen as the successful bidders on the basis of criteria stipulated in the bid invitation. It is anticipated that the master plan and feasibility report will generate opportunities for American contractors who might be interested in the project.

UGANDA—A contract has been awarded to Geotehnika, Zagreb, Yugoslavia, by the Uganda Electricity Board (UEB) for a **site for the proposed Murchison Falls hydroelectric plant.**

The contract will run for a year, with work scheduled to begin Aug. 10. A full geological appraisal will be made, including core drilling and trial tunnel openings on the alignment proposed for the plant, to provide details of rock conditions necessary for design studies currently being undertaken by the Board's consulting engineers, Kennedy and Donkin (Africa) and Sir Alexander Gibb and Partners. The Yugoslavian company won the contract in competition with seven international firms based in Uganda, Kenya, India, Sweden and Zambia.

Uganda National Park officials continue to express concern for the future of Murchison Falls Park and the UEB took some note of this by stating that close liaison is being maintained with National Park authorities to guarantee that the investigation team would not affect tourism or wildlife in the area.

GERMANY—On July 25, the cabinets of the states of Hamburg and Schleswig-Holstein approved the decision of the Hamburg Electric (HEW) to erect their **second nuclear power plant** at Brunsbuettelkoog at the mouth of the Elbe River and the western entrance of the Kiel Canal. (See INTERNATIONAL COMMERCE, June 9, p.35). This plant is expected to be completed in 1974 and supply about 660 megawatts of energy, the same amount as the first nuclear project at Stade.

No decision has been made on the type of reactor, the supplier, nor the fuel elements for it. Although the new project will be about the same size as the one at Stade, it will surpass the DM 30 million (DM4 = $1) cost estimate for the latter owing to general price increases.

Plans for a major new airport, designed to handle supersonic commercial aircraft were approved on July 18. It will be built about 20 kilometers north of Hamburg at Kaltenkirchen in Schleswig-Holstein.

Construction work is expected to begin early in 1971. One runway of 4000 meters and one passenger hall are to be ready by the mid 1970's. When completed toward the end of the decade, there will be two runways and six half-moon shaped buildings with an annual capacity of 30 million passengers.

The airport will be located on the Hamburg-Flensburg autobahn presently under construction. New rail facilities are also under study for fast shuttle service to both Hamburg and Kiel.

This construction project could provide opportunities for American firms in the airport construction, material handling and maintenance fields. The American Consulate, Hamburg, can supply additional information.

Two road building projects offered by El Salvador

Two road building projects are being offered by the Government of El Salvador. The work includes construction of a secondary type road, 28 kilometers long from San Jorge to Sonzacate, and construction of a third-class type road, 10 kilometers long, from Juayua to Los Arenales.

Only firms that have previously been registered/qualified by the Salvadoran Ministry of Public Works will be accepted to bid. This project is being conjointly financed by the Government of El Salvador and the International Bank for Reconstruction and Development. Bid deadline is Sept. 16.

Interested U.S. firms may consult plans, specifications and contractural documents by applying to Barktus & Associates, Inc., 222 W. Adams St., Chicago 60606.

Leads for Importers

Commodities are offered direct unless specified

243 Millwork, veneer plywood, prefabricated structural wood products

24332—FRANCE—Precut country houses, prefabricated summer cottages, wood, related lines, including wood garages, shelters, of various types, sizes; portable, knock-down, other buildings. Color photographs of above available on loan from Trade Opportunities Staff, BDSA-541, Rm. 4053, U.S. Dept. of Commerce, Washington, D.C. 20230. Martin (Etablissements Roland) (manufacturer), Ave. de Strasbourg, Chatelaillon, 17- Charente-Maritime. WTD 7/69.

Colombian company desires pipe in 24, 42-inch sizes

The Water-Supply and Sewer Company of Bogota, Empresa de Acueducto y Alcantarillado de Bogota, D.E. wishes to purchase 13 kilometers of 42-inch pipe and 61 kilometers of 24-inch pipe. The following types of pipe may

be offered: steel, reinforced or prestressed concrete with steel core, ductile iron, cast iron, and asbestos-cement. This pipe will be paid for with a World Bank loan to Colombia.

All bids must be delivered personally or through an authorized representative to the offices of Empresa de Acueducto y Alcantarillado de Bogota D.E., Plan Maestro de Acueducto, Carrera 5a., No. 15-21, Piso 5, Bogota, Colombia, before 4:00 p.m., Sept. 22. Bids forwarded by mail will not be accepted.

Specifications may be purchased from the Plan Maestro de Acueducto for 5,000 Colombian pesos. This fee will not be reimbursed. The current official rate of exchange is approximately 17.36 pesos to 1 dollar.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

AUSTRALIA—L. G. Medley, Executive Director, R. A. Klapka, and L. A. Kent, Brambles Holdings Pty. Ltd., Goldfields House, 1 Alfred St., Sydney, N.S.W. 2000, **interested in examining machinery and equipment for compaction, transportation and disposal of dry industrial waste and establishing a licensed manufacturing or a joint venture** operation in Australia. Aug. 20 via New York for four weeks. c/o New South Wales Center, 680 Fifth Ave., New York, N.Y. 10022. Itinerary: New York, 8/25-27 Philadelphia, 8/28-31 Washington, dates of arrival in Pittsburgh, Cleveland, Chicago, Detroit and Los Angeles to be arranged. WTD 6/68.

BRAZIL—Vicente de Paula Barata, Dinamica Industrial Ltda., Avenida Brigadeiro Luiz Antonio 4504 or P.O. Box 30527, Sao Paulo 5, interested in licensing agreement with U.S. direct mail advertising firms. Arrived Aug. 1 via New York for four weeks. c/o Hotel Barbizon Plaza, 106 Central Park S., New York, N.Y. 10019. Itinerary: New York, Chicago, Philadelphia, Washington, D.C. WTD 5/69.

CEYLON—G. M. Tarachand, Tarachands, 702 Galle Road, Colombo 3, interested in locating U.S. sources of supply for **textiles, yarns, dyes and chemicals.** Arrived Aug. 15 in New York for two weeks. c/o Oscar Chandler & Co. Inc., 220 Fifth Ave., New York, N.Y. 10001. Itinerary: New York, Chicago, Washington, D.C., possibly Los Angeles. WTD in preparation.

CHILE—Gerald Rosenbaum, representing Juan Happ & Cia. Ltda., Caupolican 815, Santiago, interested in visiting U.S. plants manufacturing **cooking ranges and/or washing machines** to discuss licensing agreement and request technical information. Aug. 27 via Miami for three weeks. c/o Apt. 1-H, 504 Merrick Rd., Lynbrooks, L.I., N.Y. 11563. Itinerary: New York, others as necessary. WTD in preparation.

FINLAND—Professor Pekka Jauho, Helsinki Institute of Technology, Otaniemi, interested in **nuclear power plant** operating principles. Aug. 19 via Seattle for approx. two months. From Sept. 7 to 29 c/o Professor Leachman, Physics Dept., Kansas State University, Manhattan, Kan. 66502. Itinerary: Seattle, San Francisco, Los Angeles, Kansas City, Washington, D.C., Philadelphia, New York.

INDIA—Babubhai Kantilal Doshi, Partner, Kantilal Chunilal & Sons, Udhna, Surat District, Gujarat, interested in importing essential **raw materials from U.S. for manufacture of electrical home appliances and heating elements.** Last week in August via New York for three weeks. c/o Frederick & O'Meara, 11 Broadway, New York, N.Y. 10004. Itinerary: New York, Detroit, Philadelphia, Boston, Chicago, Pittsburgh, Cleveland, Los Angeles, San Francisco. WTD in preparation.

S. R. Bhattacharjee, General Sales Manager, Kores (India) Ltd., Plot No. 10, Off Haines Road, Worli, Bombay 18, interested in locating a partner to manufacture **modern office stationery.** Aug. 12 via New York for four weeks. c/o Don P. Jay, Vice President, Parts Manufacturing Corp., 211 W. 61st St., New York, N.Y. 10023. Itinerary: New York, Chicago, Dayton, Boston, Washington, D.C., Los Angeles, San Francisco. WTD in preparation.

JAPAN—A group of Japanese industrialists and government officials will visit the United States Sept. 29-Oct. 17 to meet with representatives of American construction contractors and other firms who may be interested in partnership arrangements to build **high-rise apartment projects** in Japan. They are expected to visit a number of cities across the country. Itinerary plans are now being formulated. U.S. firms interested in meeting with this group should promptly notify Morris Cohen, Program Officer, U.S. Department of Housing and Urban Development, Washington, D.C. 20410, phone (202) 755-6692.

SAUDI ARABIA—Yacoub Al-Rasheed, Al-Rasheed Co., Azizia Bldg., P.O. Box 610, Riyadh, interested in becoming agents for U.S. firms for **electrical and mechanical equipment** and requesting technical information on **heavy duty earth moving equipment, gas turbine and diesel engines.** Approx. Aug. 30 via New York for two months. c/o Donald Reed, De Laval Turbine, Inc., Trenton, N.J. Itinerary: New York, Trenton, Longview, (Tex.), Los Angeles, Oakland. WTD 5/68.

SOUTH AFRICA—F. M. S. Morris, Executive Director, Bells Asbestos & Engineering (Africa) Limited, 118 Voortrekker Road, Salt River, Cape Town, Cape Province or head office Bell's Circle, Elandsfontein, Johannesburg, Tvl., interested in direct purchase of **mechanical engineering equipment allied to process steam and refrigeration utilization, insulation materials** and requesting **technical information on methods of cold storage construction.** Aug. 20 via San Francisco for three weeks. Itinerary: San Francisco c/o Sarco Co. Inc., 1485 Bayshore Blvd., San Francisco, Calif. 94124, other cities in California and Washington, New York c/o Mrs. M. Fox, South African Consulate General, 655 Madison Ave., New York, N.Y. 10021. WTD 5/69.

Alan Bailey, Managing Director, South African Homecraft Services (Pty.) Ltd., Zetland Acre, Hout Bay, Cape Province or P.O. Box 3687, Cape Town, interested in direct purchase and sole franchise for Southern Africa for **new household products, novelty items** for both adults and children. Aug. 18 via New York for three weeks. c/o Prince George Hotel, 14 E. 28th St., New York, N.Y. 10017. Itinerary: New York. WTD in preparation.

Christopher P. Guy, G. H. Langler & Co. Ltd., Sales Eng. Electronics Div., P.O. Box 3762, Johannesburg, interested in agencies for **electronic instrumentation, input and output equipment for data processing.** Aug. 4 via Boston for six to eight weeks. c/o Data General Corp., Southboro, Mass. 01772, phone (617) 485-9100. Itinerary: Boston, Southboro, San Francisco. WTD under revision.

UNITED KINGDOM—S. C. Levy, Director, Pollybin Ltd., 174 Holders Hill Road, Mill Hill, London N.W.7, interested in contacting suitable American firm to undertake the manufacture, promotion and sale in U.S. of new type **patented hygienic container** known as the Pollybin. Aug. 21 via New York until Sept. 8. c/o Dr. & Mrs. Bernard Chazan, 54 Dwight St., Brookline, Mass. 02146, phone 566-4319. Itinerary: New York, Boston, others as required. WTD 9/64 under revision.

L. A. J. Gardiner and S. F. Gardiner, W.D.M. Limited, Western Works, Staple Hill, Bristol, interested in licensing and/or cross licensing arrangements with U.S. companies for manufacture of **multi-module high vacuum pumping equipment, vacuum accessories, general purpose high temperature furnaces, micro-volume sliding change-over valves.** Aug. 24 via New York for five days. c/o Dept. of Commerce New York Field Office. Itinerary: New York, Washington, Chicago, Boston, Houston. WTD 2/67 under revision.

VENEZUELA—Nico Colonomos, Director, Tenerias Unidas, C.A., Avenida Baralt 1611, Edificio Oficentro, Oficina 404, Caracas, interested in exporting **leather and/or shoes** from Venezuela to United States. Arrived Aug. 2 in Miami for one month. c/o Moises Colonomos, 55 W. 47th St., New York, N.Y. 10036. Itinerary: Miami, New York, Boston. WTD 9/68.

New Trade Lists

The Bureau of International Commerce has published the following new trade lists of which mimeographed copies may be obtained by firms domiciled in the United States from BIC-924, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce Field Offices. The price is $1 per list for each country. All are dated July.

American Firms, Subsidiaries and Affiliates—Indonesia.
American Firms, Subsidiaries and Affiliates—Tunisia.
American Firms, Subsidiaries and Affiliates—Venezuela.
Business Firms—French Territory of the Afars and Issas—(Djibouti).

Construction on Tripoli's city hall open for bids by registered firms

The Central Tenders Board of Libya invites registered international companies and local companies registered under Grade One at the Ministry of Public Works to submit bids for building Tripoli's city hall.

Conditions and specifications are available from the Ministry of Public Works in Benghazi or Tripoli on payment of 100 unrefundable Libyan pounds. Issuance of specifications will cease one month before the deadline for opening envelopes.

A preliminary guarantee amounting to 50,000 Libyan pounds must accompany the tender. If it is a letter of guarantee, it should be valid for six months and registered at the Taxation Authority. Revenue stamps must be paid.

Tenders should be submitted to the Secretary of the Central Tenders Board at the Ministry of Finance, Sciara Sciatt, Tripoli not later than Nov. 24.

New Books and Reports

INTERNATIONAL MARKETING INFORMATION SERVICE

This identification symbol, which appears on each of the International Marketing Information Service reports, is also accompanying announcements made in this section.

Latest IMIS reports are:

Country Market Digests (*best sales prospects in*): Belgium, IMIS—69-21. 10 cents.

Exhibitor's Export Market Guide (*for Trade Center Shows*): London—Biochemical Test & Control equipment, Feb. 9-13, 1970, IMIS—69-70. 10 cents.

World Markets for U.S. Exports: Toys and Games in France, IMIS—69-122. 10 cents.

IMIS reports are available from Commerce Field Offices or from Sales & Distribution Branch, Room 2119, Department of Commerce, Washington, D.C. 20230.

***Canadian Trade Index: 1969.* Published by The Canadian Manufacturers' Assn. (CMA). Toronto. 1,148pp. $36. CMA members $24.**

This latest annual edition of the index lists 12,745 manufacturing companies across Canada. The listings include company name, address, names and titles of operating executives, plant locations, parent and subsidiary companies, brand names, foreign representatives, number of employees, a geographical breakdown of manufacturing establishments by province and city and a finely classified list of products.

Also available is a French, Spanish or Portuguese index of products followed by the English equivalent. An export section gives basic information regarding export trade methods and service.

Write: The Canadian Manufacturers' Assn., 67 Yonge St., Toronto 215, Canada.

***United States Lumber Exports: 1968.* Published by the U.S. Department of Commerce/Business and Defense Services Administration. 9pp. 10 cents.**

Tables in this report show exports by area and country of destination and by type of lumber. U.S. lumber exports in 1968 increased about 3.6% over the 1967 level, amounting to 1,162 million board feet, valued at $152 million. Exports in 1967 totaled 1,129 million feet, valued at $136 million.

Write: U.S. Department of Commerce, Sales and Distributon Section, Washington, D.C. 20230.

***The Fur Industry Abroad.* Published by U.S. Department of Commerce/Business and Defense Services Administration. 40pp. 50 cents.**

This survey includes available data on the production, consumption, international trade, as well as tariff and trade regulations of 17 principal foreign fur producing and consuming countries. It also includes tables showing U.S. exports of undressed and dressed furs to each of those countries during 1968.

Data were obtained from a wide range of official and unofficial sources, including the Office of International Regional Economics, Bureau of International Commerce, Bureau of the Census, reports of the Foreign Service of the U.S.; foreign government statistics; foreign and domestic trade papers and magazines; trade association officials; and consultation with members of the fur industry.

Write: Sales & Distribution Branch, U.S. Department of Commerce, Washington, D.C. 20230.

***Catalog of USA Standards and International Recommendations: 1969.* Published by United States of America Standards Institute (USASI). New York. 112pp. Free.**

Some 600 USA standards and 300 international recommendations have been added to this new edition, which lists 3,600 USA standards approved by USASI and 1,350 international recommendations of the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), International Commission on Rules for the Approval of Electrical Equipment (CEE), and Pan American Standards Commission (COMPANT).

Included in the catalog is an index to the titles of all USA standards and international recommendations. A special symbol is used to identify publications available on microfiche.

Write: United States of America Standards Institute, 10 East 40th St., New York, N.Y. 10016.

***Technical Notes on New Census Methods for Seasonal Adjustment of Foreign Trade Data: 1969.* Published by U.S. Department of Commerce. 25pp. 35 cents.**

The Foreign Trade Division of the Bureau of the Census has revised its procedure for the seasonal adjustment of the monthly merchandise trade figures contained in *Highlights of U.S. Export and Import Trade*.

This technical notes report explains the changes in methodology and presents revised season adjustment factors for all months of 1968 and 1969. The changes in methodology include: change in the length of moving average used to smooth irregular fluctuations in the SI (Seasonal-Irregular) ratios; elimination of the subjective strike adjustments; and derivation of the overall seasonal factors from data not published for "carryover."

Write: Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

***Changing to the Metric System.* Third Edition. By Pamela Anderton and P. H. Bigg. Published by Her Majesty's Stationery Office. London. 1969. 48pp. 90 cents.**

This third edition takes account of decisions made by the Thirteenth General Conference of Weights and Measures, October, 1967.

The first edition, published in 1965, was intended to help those concerned in industry or education with going metric by providing up-to-date information on the International System of Units (SI) and conversions to it. A second edition, published in 1967, incorporated the results of a June, 1966, meeting of the International Organization for Standardization which discussed the application of SI units and their multiples and submultiples.

Write: Sales Section, British Information Services, 845 Third Avenue, New York, N.Y. 10022.

***Economic Survey of Austria.* Published by OECD. Paris. 1969. 80 cents.**

This booklet contains data on recent trends in the country, its economic policy, structural problems and future prospects.

Write: OECD Publications Office, Suite 1306, 1750 Pennsylvania Ave., N.W., Washington, D.C. 20006.

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Calendar *for international traders*

BALTIMORE—Sept. 5—Maryland Regional Export Expansion Council Meeting, Center Club, One Charles Street. Sponsors: Commerce Field Office, REEC.

BALTIMORE—Sept. 15—Businessmen's Consultation, **Joseph Rand, commercial officer, U.S. Embassy, Vienna.** Sponsor: Commerce Field Office.

BEAVER FALLS, PA.—Sept. 12—Export Luncheon Forum, Holiday Inn, 12 noon. Sponsors: Commerce Pittsburgh Field Office, Chamber of Commerce.

BOSTON—Sept. 19—Businessmen's Consultation, **Joseph Rand, commercial officer, U.S. Embassy, Vienna.** Sponsor: Commerce Field Office.

BUTLER, PA. — Sept. 9 — Export Luncheon Forum, Holiday Inn, 12 noon. Sponsors: Commerce Pittsburgh Field Office, Chamber of Commerce.

CHICAGO—Sept. 2—Automotive Exporters' Club of Chicago, Builders Building.

CHICAGO—Sept. 4—In-Office Meeting, 1486 New Federal Bldg. Sponsor: Commerce Field Office.

CHICAGO—Sept. 11—International Trade Club of Chicago, LaSalle Hotel.

DETROIT—Sept. 9—Export Seminar, 445 Federal Building, 9:30 a.m. Sponsor: Commerce Field Office.

HAMBURG, GERMANY—Sept. 29—FCIB International Round Table Conference on Finance, Credit and Collection Problems (11th in a series), Atlantic Hotel, 9 a.m.

HONOLULU—Sept. 17—Export-Import Workshop, Suite 286, Alexander Young Building, 10 a.m. Sponsors: Commerce Field Office, SBA.

LOS ANGELES—Sept. 26—Export Expansion Seminar, 9:30 a.m. Sponsor: Commerce Field Office.

MADISON, Wis.—Sept. 19—Governor's Annual Export Expansion Conference, "Export Prospects in South America," Wisconsin Center. Sponsors: Commerce Milwaukee Field Office, Governor Warren P. Knowles, REEC.

MILWAUKEE—Sept. 2—"Avoiding The Next Monetary Crisis," Rep. Henry S. Reuss, Holiday Inn Midtown, 7 p.m., dinner. Sponsor: Milwaukee World Trade Club, Inc.

NASHVILLE—Sept. 9—First of five sessions of an Export Educational Seminar, Belmont College. Topic: "Introduction to Exporting and Government Services." Sponsors: Commerce Memphis Field Office, REEC, Belmont College.

NEW YORK—Sept. 2—FCIB Round Table Conference on Foreign Finance, Credit, Collection & Exchange Problems. Advertising Club, 23 Park Ave., 1:30 p.m. Chairman: J. W. Welsh, executive vice president, Continental Bank International.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

Managing Editor,

International Commerce

BIC-204

U.S. Department of Commerce

Washington, D.C. 20230.

NEW YORK—Sept. 9-10—Businessmen's Consultation, **Wilbur Wright, economic-commercial officer, U.S. Embassy, Rome.** Sponsor: Commerce Field Office.

NEW YORK—Sept. 11—Overseas Automotive Club, Summit Hotel, 12 noon, reception/luncheon. Chairman: Robert J. Menne, vice president, Muller & Phipps (Asia) Ltd.

NEW YORK—Sept. 16—FCIB Hardware-Automotive & Allied Trades Group Meeting. Advertising Club, 23 Park Ave., 12:30 p.m. Chairman: Irving Heps, export credit manager, American Standard, Inc.

NEW YORK—Sept. 18—FCIB Drug, Chemical & Food Export Club, Advertising Club, 23 Park Ave., 12:15 p.m. Chairman: Herman M. Beltzer, director of treasury services, Revlon, Inc., New York.

NEW YORK—Sept. 22-23—Businessmen's Consultation, **Joseph Rand, commercial officer, U.S. Embassy, Vienna.** Sponsor: Commerce Field Office.

NEW YORK—Sept. 23—FCIB Publishers Export Credit Group, Advertising Club, 23 Park Ave., 4 p.m.

PHILADELPHIA—Sept. 17—Businessmen's Consultation, **Joseph Rand, commercial officer, U.S. Embassy, Vienna.** Sponsor: Commerce Field Office.

PHOENIX—Sept. 18—Export Workshop, Room 5413, Federal Bldg., 10 a.m.-12 noon. Sponsors: Commerce Field Office, REEC.

READING, PA.—Sept. 10—Reading Foreign Traders Assn., Abraham Lincoln Hotel, 6 p.m. Monthly dinner meeting.

ST. LOUIS—Sept. 9—"Show You" Export Workshop, Conference Room, Federal Building, 2 p.m. Sponsors: Commerce Field Office, REEC.

SAN FRANCISCO—Sept. 11—U.S./Japan Relations—1970's, San Francisco Hilton Hotel. Sponsors: Chamber of Commerce, Japan Week in San Francisco Committee.

SAVANNAH — Sept. 11-12 — Businessmen's Consultation, **Joseph Rand, commercial officer, U.S. Embassy, Vienna.** Sponsor: Commerce Field Office.

SIOUX FALLS, S.D.—Sept. 11—Small Business Export Expansion Workshop, Holiday Inn, 8:30 a.m. Sponsors: Commerce Minneapolis Field Office, SBA, Northwest Orient Airlines, South Dakota Industrial Development Expansion Agency.

WASHINGTON, PA.—Sept. 8—Export Luncheon Forum, Holiday Inn, 12 noon. Sponsors: Commerce Pittsburgh Field Office, Chamber of Commerce.

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